Daily Report

Latin America

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FBIS-LAT-95-109 *7 June 1995*

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Mercosur Countries Criticize U.S. Free Trade Proposal

PY0606033995 Sao Paulo GAZETA MERCANTIL in Portuguese 2 Jun 95 p A3

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] Less than a month before the 34 ministers responsible for the trade area meet in Denver, Colorado, on 30 June, the U.S. Government has still not reached consensus on the proposal made in Miami at the end of 1994 for the establishment of a free trade area in the hemisphere.

On 22 May the U.S. Government made suggestions on the issue, but they were rejected by the Common Market of the South (Mercosur) countries, the main opponents of the idea of speeding up the schedule for negotiations among the various trade blocs in the region.

The four Mercosur countries — Argentina, Brazil, Paraguay, and Uruguay — want to see the Miami Summit plan of action fully complied with. This plan establishes that only beginning in 2005 will the schedule for a reduction of tariffs go into effect and the areas of services and investments be deregulated.

The Mercosur countries believe that the hemispheric free trade region must be established within the concept of building blocks [two preceding words in English], i.e., that it must be based on the already existing regional agreements. The United States, which has endorsed the Miami platform, has changed its position. In the paper that circulated among the 34 countries' representatives attending the 22 May meeting in Washington, the U.S. Government proposed establishing 11 working groups to cover various areas, particularly the areas of government purchases, services, and intellectual property. No reference was made, however, to the topics that the Mercosur countries deem a priority, such as matters related to customs rules, origin rules, acceptance of certificates of origin, sanitary measures and plant health control, nontariff restrictions, agricultural subsidies and dumping, investment promotion and guarantees, and technological cooperation.

Brazil's main negotiator within Mercosur, Ambassador Jose Botafogo Goncalves — who is the Itamaraty under secretary for integration, economic matters, and foreign trade — told GAZETA MERCANTIL on 1 June: "This is a dialogue among deaf people. We still have not advanced toward consensus. We are still at the starting point regarding essential issues." According to Goncalves, the Mercosur countries are in favor of gradually establishing blocs, such as associations among the four Mercosur countries and the other South American countries, with these blocs finally merging into a hemispheric bloc. The United States, however, wants to immediately discuss topics that are not included in the Miami declaration.

Goncalves asserted that Brazil wants to have an intense and constructive participation in this process, "although we need time" to do so, because the economic reform is still under way in Brazil and the government has no authority to negotiate the opening up of areas that depend on a constitutional revision or require the laws to be changed, such as the law on intellectual property. The topics that the Mercosur countries want to discuss — such as agricultural subsidies and dumping, as well as norms of origin — will make it easier to reach consensus about the regional building blocks.

The Mercosur representatives have criticized the way in which the United States has been conducting the process, because the U.S. Government is allegedly performing a mandate before negotiating it. In addition, the U.S. trade representative (USTR) presented a working document to the Mercosur countries in Asuncion, at the end of April, establishing an "ambitious and accelerated negotiation" schedule "and creating commitments as earlier as 1996-97 for areas that the Mercosur countries are not ready to accept," Goncalves said. Later on, the United States admitted that it had been ambitious. On 25 May, however, the U.S. Government again presented as a priority another list of topics, and proposed the establishment of 11 working groups.

The 34 countries will again meet in Washington on 21 June, when Mercosur will present its final position. Goncalves added: "Mercosur will have to go beyond, and adopt its own and comprehensive position."

Bolivia's Aranibar Urges Reinstatement of Cuba Into OAS

PY0706030395 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 6 Jun 95

[FBIS Translated Text] Bolivian Foreign Minister Antonio Aranibar has demanded that his colleagues from the Americas — who have been meeting since yesterday in Montrouis, Haiti — reinstate Cuba and Fidel Castro into the inter-American system.

Addressing the 25th OAS Assembly, Aranibar said: Because of the peace and brotherhood that prevail in all the countries throughout our hemisphere, we should not ostracize Cuba.

Aranibar added: Cuba has been isolated for many years from this forum in which we discuss ideas, assess problems, and seek joint solutions to coexistence in the Americas.

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He said: Cuba's absence is depriving the OAS of the invaluable contribution of Marti's fatherland. In view of this, the sister nations of the Americas must promptly address this issue.

Aranibar also expressed his support for OAS Secretary General Cesar Gaviria's proposal. Gaviria said that the inter-American community must give Cuba another chance.

In his speech the Bolivian foreign minister reasserted the need to combat narcotrafficking. He said this should be a shared responsibility between producer and consumer countries alike, on the basis of consensus, and not through the imposition of unilateral solutions.

Aranibar said that Bolivia had joined the cocaine smuggling circuit through the farming of coca leaves, which is a deep rooted pre-Colombian practice, essentially because of massive demand for cocaine from the industrialized countries.

Aranibar also announced that the Bolivian Government intends to propose that the hemispheric summit on sustainable development, which is to be held in Santa Cruz in 1996, issue a declaration entitled A New World for the Americas. He said this declaration should include a plan for a common future for the continent.

In summary, Antonio Aranibar has requested that Cuba be reinstated into the OAS.

Gaviria at OAS Meeting Urges Cuban Reintegration

FL0606205895 Havana Radio Rebelde Network in Spanish 1700 GMT 6 June 95

[From the "National Radio News"]

[FBIS Translated Text] Costa Rican Foreign Minister Fernando Naranjo proposed holding an extra session of the Organization of American States [OAS] assembly in 1997 to effect steps toward hemispheric security. Speaking before the 25th OAS General Assembly, Naranjo advocated reconstruction of the OAS, which is being confronted by new challenges on the continent, such as drug trafficking, terrorism, and poverty, which have become the major factors contributing to political and social instability.

Other officials, such as Salvadoran Foreign Minister Oscar Santamaria and Argentine Vice Foreign Minister (Fernando Petrela) spoke out in favor of the strengthening of the OAS in areas crucial to hemispheric interests.

The issue of Cuba was introduced in the opening session by OAS Secretary General Cesar Gaviria, who was also present during the second session, in which Bolivian Foreign Minister Antonio Aranibar called for the reintegration of Cuba into the OAS. Aranibar said that the American nations cannot allow the Cuban people to remain forgotten, and that Cuba's absence is depriving the OAS of the invaluable contributions of Marti's fatherland. Other Latin American representatives also advocated the reincorporation of Cuba into the hemispheric organization. Cuba was expelled from the OAS in 1962; reentry requirements, however, are conditioned by issues related to Cuban domestic policies. Alexander Watson, U.S. adjunct secretary of state for Inter-American Affairs, endorses this unacceptable thesis of conditionality, saying that Cuba will have to undertake political and economic reforms before it can be considered for reintegration into the organization. The Cuban issue was not part of the agenda of this 25th OAS General Assembly meeting, through 10 June, in Haiti.

Brazil Opposes Tighter Embargo Against Cuba

PY0706031095 Madrid EFE in Spanish 2230 GMT 6 Jun 95

[FBIS Translated Text] Montrouis (Haiti), 6 Jun (EFE) — Brazil today expressed concern over a draft bill now being debated in the U.S. Congress that threatens to tighten trade restrictions against Cuba.

Addressing the plenum of the 25th OAS Assembly, Brazilian Foreign Ministry Secretary General Santiago do Rego Barros said: "We are concerned about the draft bill entitled 'Law for Freedom and Democratic Solidarity With Cuba in 1995.'"

Do Rego Barros quoted a declaration issued by the Rio Group on 23 May, which described the proposal as "a violation of international law, of the leading principles of regional coexistence, and of worldwide accepted free trade norms."

The bill, sponsored by ultraconservative Senator Jesse Helms and Republican Congressman Dan Burton, warns, among other things, that the United States will impose sanctions on any country trading with or investing in Cuba.

Do Rego Barros today shared the views of other delegation heads attending the OAS Assembly about the need "to intensify" the dialogue to create opportunities that would pave the way to allowing Cuba to rejoin the inter-American system, "in light of the reforms and the transition that is under way" in that Caribbean country.

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Cuba

Foreign Minister Insists 'No Conditions' To Rejoin OAS

PA0706022295 Havana PRENSA LATINA in Spanish 0051 GMT 7 Jun 95

[FBIS Translated Text] Havana, 6 Jun (PL) — Foreign Relations Minister Roberto Robaina today emphasized that Cuba will definitely not accept conditions to return to the OAS.

In statements to PRENSA LATINA, Robaina pointed out that Cuba maintains excellent relations with most countries in the continent and considered that such a step (rejoining the OAS) must be taken without harming the island's sovereignty.

He added that he believes it is too soon to talk about the island's return to the regional organization without a consensus at the heart of the OAS.

Certain members, he explained, would rather wait until events unfold; others do not talk about conditions, while still others do intend to impose them.

The responsibility of doing something about this issue is left to those who expelled us, and when they ask us what we think about it, we will stress that we will not accept any condition whatsoever, the Cuban foreign minister underscored.

Cuba was separated from the OAS in 1962 due to the pressure the United States exerted in the midst of one of the most heated moments of the so-called Cold War.

OAS Secretary General Cesar Gaviria yesterday asked the member countries to conduct a new analysis on the hemispheric positions on Havana.

High-ranking U.S. State Department officials, however, insisted on demanding profound changes in the Cuban democratic system and in the design of the country's economic policies.

Alarcon Addresses Conference on Illegality of Guantanamo

FL0606184495 Havana Radio Rebelde Network in Spanish 1700 GMT 6 Jun 95

[From the "National Radio News"]

[FBIS Translated Text] The first Scientific Conference on the Illegality of the Guantanamo Naval Base was opened in this eastern city chaired by Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government. According to a report filed by correspondent Jose Mejia, during his speech at the plenum, Alarcon stressed the event's importance and said that the conference defends not only the sovereignty of Cuba, but that of all of oppressed and colonized Latin America.

[Begin recording] [Alarcon] The question of the illegality of the U.S. Naval Base in Guantanamo will not be analyzed solely from the various pertinent aspects, but rather it will necessarily be looked at in the context of the economic, commercial and financial blockade imposed on us by the United States for over 35 years. I believe it is critical that the analysis takes this circumstance into account. We are meeting today because only in this way can we place the current situation and the future of the Guantanamo Naval Base, as well as the outlook for a possible solution in the future, in its proper context. [end recording]

More on Alarcon's CNN Interview on Helms-Burton Bill

FL0606153895 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1630 GMT 3 Jun 95

[From the "NTV" newscast]

[FBIS Translated Text] Ricardo Alarcon, president of the National Assembly of the People's Government, has stated that an eventual approval of the Helms-Burton bill to strengthen the blockade would hinder U.S.-Cuban relations, because the bill seeks to limit Cuban sovereignty.

Alarcon appeared live on CNN Moneyline program, and warned that the United States should follow the recommendations of Latin America and most of the nations worldwide, which have rejected the blockade, and should acknowledge Cuba as a sovereign and independent state.

Moneyline — one of CNN prime shows conducted by its vice president Lou Dobbs — broadcast from Havana during the entire week, and covered different aspects of the Cuban reality.

Alarcon highlighted that the Helms-Burton bill crudely displays that Cuban enemies are not concerned about democracy or Cuban economic policies, but are rather interested in recovering the properties socialized in 1959, and returning to past times, when Cuba was a neocolony of the United States. Alarcon called both goals absolutely unacceptable for Cuba.

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'Blockade Torricelli Style or Blockade Helms-Burton Style'

FL0606182695 Havana Tele Rebelde Network in Spanish 1630 GMT 6 Jun 95

[From the "NTV" newscast]

[FBIS Translated Text] Recent news from the United States indicates that the U.S. Government's interest in normalizing relations with Cuba seems to have no incentives, due to confrontation with a hostile congress.

Officials insist that the blockade will continue, yet, extreme right wing Cuban exiles warned about a conciliatory White House, in light of the recent migratory agreements.

The appointment of Cuban Presidential Adviser Richard Nuccio, coauthor of the last agreement, has created controversy in Miami, where many believe that he might introduce realism to the politics towards Cuba.

Many in Miami also reproach Nuccio for perhaps not having a real influence. These people, due to their extremist views, have opposed other officials who participated in the implementation of past agreements with Cuba to end disorderly emigration.

Everything stems from the contradiction between the White House and Congress. This became clear when the extreme right wing in Miami promptly invited Newt Gingrich, leader of the Republic majority in Congress, and one of President Clinton's most zealous censors, who immediately supported all their views.

Nuccio's appointment put distance between the executive power and the Helms-Burton bill, which opposed its prerogatives and created discord with the allies. Additionally, the nomination highlights a preference for the Torricelli law, which was created in part by the new adviser.

However, the U.S. press believes that a compromise might take place amid this conflict, with a somewhat softer version of the Helms-Burton bill.

The creation of the presidential adviser post indicates a strengthened interest in Cuba, yet, the dilemma still is: blockade Torricelli style [bloqueo a la Torricelli], or blockade Helms-Burton style [bloqueo a la Burton]?

Conference Speakers Stress Historical U.S. Designs on Cuba

FL0706020295 Havana Radio Rebelde Network in Spanish 2300 GMT 6 Jun 95

[Report by Guantanamo Province correspondent Jose Mejia; from the "Exclusive" program]

[FBIS Translated Text] [Mejia] Greetings. The first international Scientific Conference on the illegality of the Guantanamo Naval Base began today with the presence of distinguished Cuban and foreign law specialists. At 0910 this morning, Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, addressed the plenum. In his address, Alarcon stressed the importance of this scientific event because, as he said: Here, not only is our own sovereignty defended and maintained, but that of a colonized and oppressed Latin America.

Alarcon spoke at length on the Helms-Burton bill and how one of its clauses relates to the illegal Guantanamo Naval Base, which goes against international law. Alarcon also said:

[Begin Alarcon recording] As we meet in Guantanamo to hold this conference, meetings aimed at deciding the destiny of our country are also taking place in other places. Perhaps there isn't anything that so reveals the constants in our historical evolution as that reality. The same could be said of the time when the first rebel leaders were preparing the glorious uprising of 1868 in the eastern provinces. While they studied how to organize and fulfill the national struggle for liberation here, in Washington and other places in the United States, other groups, other people had long been planning ways to frustrate that hope and take control of the destiny of Cuba. This is the way it has been since then, throughout the entire evolution of our people, and still today. [end recording]

[Mejia] In addition to Alarcon, there were addresses by Dr. Miguel D'Estefano Pissani, president of the Cuban International Law Society and emeritus professor of Havana's Higher Institute of international Relations, and Doctor Olga Miranda Brau who addressed the Guantanamo Naval Base and the migration problem.

Commander Fidel Castro said at the UN General Assembly on 26 September 1960: The truth is that of all the bases in the world, the case of Cuba is the most tragic. It is a base imposed by force on our territory, far from U.S. coasts, and against the will of our people. It is a threat and reason for worry among our people.

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Poll: More Than 90 Percent Approve of Electoral System

PA0706040095 Havana PRENSA LATINA in Spanish 2139 GMT 6 Jun 95

[FBIS Translated Text] Havana, 6 May [dateline as received] (PL) — A survey that the Center for Sociopolitical Studies [Centro de Estudios Sociopoliticos] conducted has confirmed that more than 90 percent of Cubans approve of the electoral system in Cuba and that they are willing to vote in the 9 July municipal elections.

The survey, which was disclosed here today, was conducted on a sample of 2,632 people living in the 169 Cuban districts and revealed that 93 percent of those surveyed agreed with the manner in which district delegates (councilmen) are elected.

As for vote intention, 94 percent have said they will go to the polling stations, and 92 percent have maintained they will participate in the current public assemblies to nominate candidates. The assemblies opened on 19 May and will close on 18 June.

According to the electoral law, neighbors nominate the candidates to delegates of the people's government at the district level, without the intervention of any party.

So far, more than 3 million voters have participated in the assembly process to select councilmen hopefuls, approximately 15,200 of which have already been nominated according to data published by the National Electoral Commission.

The director of the center, Dario Machado, has said the results of the survey indicated the people's large support for the current social project despite the economic crisis the island is experiencing.

According to Machado, Cubans have a profound affection for freedom and are allergic to petty politics.

According to what he has explained, this survey was conducted prior to the assembly process. Another study that will let us predict the July partial elections will end on 21 June.

Among other results, the study also has indicated that 72 percent of those surveyed have said they feel their delegates are representing them, while 25 percent have said the opposite. Only 3 percent did not respond.

In addition, approximately 70 percent of those surveyed affirmed that their representatives resolved problems in their neighborhoods, and 54 percent graded the delegates' work as very good or good.

Workers represented 73 percent of the sample, students 6 percent, peasants 2 percent, housewives 7 percent, retirees 7 percent, and the unemployed 1 percent. The remaining 4 percent failed to indicate their working status.

Finally, the ages of 57 percent of those surveyed are between 30 and 50.

Havana City Vows to Improve Farmers' Markets

FL0606135395 Havana Radio Rebelde Network in Spanish 1155 GMT 6 Jun 95

[From the "Doing Radio" program]

[FBIS Translated Text] The provincial administration council of Havana City resolved to improve the image, discipline, and administrative control of the 33 farmers' markets in the capital city. This will be achieved through a plan of action and stems from observed violations and lack of discipline in the farmers markets including inadequate sanitation and cleaning procedures, weight irregularities, traffic problems due to lack of parking spaces, and illegal activities. Therefore, the council announced an increase in the number of general inspections, and called on all entities responsible for running the markets to do their jobs. On the other hand, the council stressed the importance of increasing the amount and quality of products offered at the industrial and crafts markets in order to counteract illegal trade.

Haiti

Aristide Opens OAS Meeting, Thanks Caricom for Support

FL0606120495 Bridgetown CANA in English 2209 GMT 5 Jun 95

[From the "Broadcast News Summary for June 6"]

[FBIS Transcribed Text] The Organisation of American States continues its general assembly in Haiti today.

At the opening of the meeting Monday, Haiti's President, Jean- Bertrand Aristide, hailed the role played by Caribbean Community member states in helping to ensure the return of democracy to the French-speaking Caribbean state.

He thanked Caricom for its participation in the multinational force which paved the way for his return last October.

Hundreds of Haitians were outside the Presidential Palace to welcome the dignitaries representing OAS member states which played a leading role immediately following the 1991 coup that ousted Aristide.

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Addresses OAS General Assembly

PA0606143795 Port-au-Prince Television Nationale d'Haiti in French 1500 GMT 5 Jun 95

[Speech by Haitian President Jean-Bertrand Aristide at the opening of the 25th OAS General Assembly at the National Palace in Port-au-Prince — live; passages within quotes in Creole; passages in boldface in English; passages in italics in Spanish]

[FBIS Translated Text] Mrs. President of the OAS General Assembly; Mr. OAS Secretary General; Former OAS Secretary General; Friends of the international community: I am happy to greet you, very happy to welcome you, and on behalf of the prime minister, the ministers and state secretaries of the government of the Republic, and of the Haitian people, I wish you a warm and cordial welcome. With a smile on its lips and heart and arms open, Haiti honors, through you, America and all the sister nations of the world.

One year ago in Belem do Para, we made an appointment here in Port-au-Prince. Today we are here. It is a fact. [applause] "Haiti is small, but it is not hopeless. We said so, we did so. That is right, that is right all the way." [applause] The impossible has become possible. Defending democratic principles, together we have achieved a political miracle on the threshold of the third millennium. Once again, we offer our thanks and congratulations to the OAS, which was the first international organization to say no to the 30 September 1991 coup d'etat and yes to the restoration of constitutional order [applause], an indelible imprint of the OAS and its former secretary general, the honorable Joao Baena Soares. [applause]

Let us bow before our heroes in the shade of this dazzling victory. Peace to the memories of our 5,000 victims, to the memories of Revered Father Jean-Marie Vincent, of our Justice Minister Guy Malary, of the Izmery brothers, of Captain Fritz Pierre-Louis, and Jean-Claude Museau, without forgetting the others. The entire earth is the tomb of great men.

Today, with an unspeakable joy, Haiti has begun to sing a hymn of gratitude for all of you present here at the 25th General Assembly of our organization. In the past, at the school of our ancestor, we learned to die for freedom. Today Haiti is proud to find the sap of this freedom in the solidarity links woven over the past four years.

George Washington was correct when he wrote that freedom is a plant that grows quickly once it takes root. Toussaint Louverture, our genius, solemnly proclaimed that here the roots of freedom are deep and numerous. Sons and daughters of this freedom, on a hemispheric scale, we have cultivated solidarity and have heroically defended democratic principles. On 15 October 1994, we saw these stars of freedom, solidarity, and democracy illuminating the road to the restoration of constitutional order together with many of you, such as the honorable U.S. Secretary of State Warren Christopher, who was with us even yesterday despite the urgencies that often call him elsewhere.

Through the OAS, Haiti touches the heart of the Western Hemisphere, the souls of 33 member missions and its citizens, who stood firmly behind principles of justice and liberty first in 1990, when you answered our call to participate in our first free and fair elections, then in 1991, when you stood by the Commitment of Santiago and opposed the military coup with the historic Resolution 1080. When it came time to implement the Governors Island Agreement, many of you and the heads of your governments from the Caribbean family joined us at the White House in Washington in 17 September to declare your participation in the multinational force. Special thanks to the United States and to President Clinton for his leadership in this mission, and to all of you who participated in this success.

To all the states committed to the democratic path, our deep admiration and respect. The end of the Cold War offers us an historic challenge. It opens the doors for us to explore new structures of integral democracy and, at the international level, equality and respect among all nations, among all men. Equality among women and men. Every person is a human being. "Every person is a human being." *In Latin-America, which is basically free from military dictatorships, there are many who demand to be included in social and democratic life. Indians, blacks, mestizos, immigrants, and women united in fellowship are challenging the states of our continent. Plato said 2,040 years ago that in the republic, our objective in building the state is the greatest happiness for all, which implies justice for all and reconciliation among all.* This political orientation must avoid two traps: vengeance and impunity. Neither will lead us to a state of law. The state of law is the spinal cord of the democratic system. Thus, since our return, we have begun a reform of the judicial system by a complex process, delicate and slow; to say it better, too slow. Little by little the institutional sclerosis will vanish and the law will gush out. On 1 July, the magistrature school will open.

In this atmosphere of reconciliation and peace, to be cultivated day after day, no one has the right to hamper others' freedoms. Everyone has the right to exist and the duty to respect the rights and freedoms of others. The national commission of justice and truth will certainly

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help our dear Haiti dissipate the darkness of impunity. Pascal said that justice without strength is helpless; strength without justice is tyrannical. It is true. In this context, you may imagine our joy at having celebrated yesterday the graduation of the first promotion of our national police force.

The democratic practice also extends to the right to vote, universal suffrage being the condition of natural equality of human beings. In 20 days, we will hold free, honest, democratic elections. You who are here, you are invited to stay until 25 June for the elections; all of you without exception. [applause].

The ballot is our first defense against the military dictatorships, which have sadly plagued our region in the past. If we protect the ballot, we ensure peace. We affirm the hope expressed by President Clinton during his historic visit to Haiti on 31 March that democracy is never, never again stolen from us. In the spirit of the Summit of the Americas, we are moving towards economic democracy, deeply grateful to the international community for clearing Haiti's (?arrears). The new partnership we are forging with the Haitian private sector will benefit the state and revitalize the economy. This will hasten Haiti's entry into the free market system. As we move down this path, let us continue to be grateful for the fortitude and patience of the Haitian people.

The jobs have not come with the speed and numbers anticipated, and still drawing on a deep reservoir of faith and hope, they continue to support democracy, knowing that is the path to our success. [sentence as heard] Haiti today is building on the strength of Haiti yesterday [words indistinct] at peace and [words indistinct] prosperous. The challenges [words indistinct] already achieved good things. Together again, our achievements will multiply and blossom, extending across our brothers to our neighbors in the hemisphere.

We are a people who have always dreamed of becoming a great nation. "Haiti is small, but it is not hopeless." *Our history has surprised the world on several occasions.* "The smaller one is tougher."

Today our people continue to defend their dignity with great determination and ingenuity to guarantee the future of a free nation. We are happy to have restored the links that united Haiti and Latin America during the struggles for the liberation of the continent. The Haitian constitution of 1806 freed any slaves who walked upon Haitian soil. A few years after our independence of 1804, Simon Bolivar obtained the moral and material support of President Alexandre Petion. Bolivar wrote in one of his letters to Petion: America, full of gratitude, will eternally keep the memory of Your Excellency. Haiti will also eternally keep the memory of the international solidarity. Together, we will renew the earth, all together with a new vision of the OAS. There cannot be a new continent without new men.

Being part of mankind is easy; being a man is difficult; and being a new man is even more difficult. Democracy requires the passionate element be subordinated to the rational element in mankind to stand up like a man, a new man. The power of our democratic convictions, the intensity of our political ethics, and our commitment to promote a new America depend on it. A man's skin weighs twice as much as his brain. May the weight of our hemispheric solidarity represent twice that of our collective responsibilities. "Here, around the table, we say: Union makes force; the fork of division cannot drink the soup of elections; when many people join hands, the burden is not heavy. This is the road to complete and full change. This road is long. It is not a question of giving up. What we lose through the length of the road will be recovered through the width of democracy."

"Many congratulations for the success of our 25th General Assembly. Hoping that an avalanche of quietness will flood all America, I solemnly declare our 25th General Assembly open." *Up with the OAS! Peace and congratulations to our great homeland. Up with planetary solidarity, because alone we are weak, together we are strong, and tightly united we are Lavalas.* [applause]

Dominican Republic

Peynado Addresses Antidrug Conference

95WD0323A Santo Domingo LISTIN DIARIO in Spanish 26 Apr 95 pp 1, 16

[Report by Pedro Julio Sanchez and Jose P. Monegro]

[FBIS Translated Text] Yesterday, Vice President Jacinto Peynado claimed that President Joaquin Balaguer's government has shown a strong political will for dealing with the drug traffic throughout the entire national territory.

Vice President Peynado called for setting aside emotions and the assignment of blame, "because, while we are engaged in analyzing trivial matters, the ringleaders of this crime are obtaining a free rein to operate, buy consciences, and make our citizens sick."

Peynado declared that he is satisfied with the action undertaken in the country against drug traffickers, and with the confiscations of large shipments from them.

Nevertheless, he expressed concern over the annual increase in the numbers of persons arrested and brought

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to justice for participating in drug dealing and consumption, as well as the "laundering of assets."

Peynado spoke at the opening ceremony for the 13th International Conference on Drug Control held in this country. He served as President Balaguer's representative to the conference.

Crossing Borders

He pointed out that the drug problem is crossing the borders of countries, and is the modern version of a refined barbarism that is playing a denationalizing role in the spirit of our peoples.

According to Peynado, trafficking and distribution require consumers; hence, the problem should be treated from the standpoint of a basic law of life: reduction of supply and demand.

In the vice president's opinion, integrated rather than isolated action should be taken in the battle against the drug traffic, as has occurred many times, because, "although it is true that there are drug producing or cultivating countries, it is nonetheless a fact that there are also consuming countries."

In his view, besides the action carried out by the agencies suppressing this crime, community prevention and education programs should be enacted, with alternative development and modern legislation.

Attending the conference opening, among others, were the director of the United States Drug Enforcement Administration (DEA), Thomas Constantine; that country's ambassador, Donna Hrinak; the Armed Forces secretary, Admiral Ivan Vargas Cespedes; delegations from other guest nations; and officials from intelligence agencies, including General Ramon Alcides Rodriguez Arias, director of the DNI [National Investigations Directorate].

Official on Directorate's Accomplishments

95WD0323B Santo Domingo EL SIGLO in Spanish 28 Apr 95 p 5

[Report by Claudia Fernandez]

[FBIS Translated Text] The work of the National Drug Control Directorate [DNCD] is not confined solely to an effort of suppressing and prosecuting drug traffickers. Far more than that, it is a patient, courageous tracking endeavor. This statement was made by Lieutenant Colonel Luis Rivera Jimenez, spokesman for the DNCD, in the report titled "Creation and Mission of the DNCD," delivered at the 13th International Conference on Drug Control.

He noted that, during the almost seven years since the DNCD's founding, nearly 14,000 kg of pure cocaine and approximately 15,000 kg of marijuana have been seized, and over 13,000 violators of Law 50-88 have been brought to justice.

Rivera Jimenez declared that, with the creation of Law 50-88, relating to narcotics trafficking, distribution, and consumption, "a milestone was reached in the battle against the drug traffic in the Dominican Republic. In addition to creating our institution and others, it provided us with stronger, updated legal tools for dealing with both drug traffickers and their sponsors and/or promoters."

Rivera Jimenez stated in his report that one means of assistance in the battle against the "narco" scourge is the formation of the Center for Joint Information and Coordination affiliated with the DNCD. Also created pursuant to Law 50-88, it is responsible for controlling the national antidrug intelligence system "for collecting, analyzing, and disseminating strategic and operational intelligence information."

He said that this silent, slow, almost incognito work "has resulted in the arrest of a large number of international drug traffickers, and the preparation of countless case records leading to the seizure of several thousand kg of pure cocaine and other dangerous drugs."

He observed that this agency, attached to the DNCD, maintains strict control over the information on vehicular movement throughout the country, including boats and cars. It also monitors all persons entering and leaving the country through airports, seaports, and customs, on the Dominican-Haitian border.

Furthermore, he cited the other agencies working in cooperation with the DNCD to curb and prevent drug trafficking and consumption, including the National Council on Drugs, which works on prevention programs.

Drug Czar on 192 Kg Cocaine Seizure

95WD0323C Santo Domingo EL NACIONAL in Spanish 27 Apr 95 p 4

[Report by Oscar Pena]

[FBIS Translated Text] The National Drug Control Directorate (DNCD) is keeping seven persons in custody and, this Thursday, continued the raids associated with 194 packages of cocaine concealed in cans of tomato sauce that were seized yesterday at the Haina dock.

The agency also determined that the merchandise, found on a truck loaded with coconuts, had been consigned to Miguel Bruno Garcia, who was captured together with Andres Reyes Garcia, a resident of Villa Riva.

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According to the agency, the packages of cocaine were to be received in New York by the Dominican, Pedro Garcia, who is considered a principal suspect.

Rear Admiral Julio Cesar Ventura Bayonet reported that the DNCD had requested the intervention of the Drug Enforcement Administration (DEA), to have Pedro Garcia arrested in the United States and deported to the Dominican Republic.

Meanwhile, a source from the agency revealed that the confiscated cocaine had been packaged at the Bruno Garcia packing plant in Santiago, and that an entire family is implicated in the case.

Rear Admiral Julio Cesar Ventura Bayonet, head of the DNCD, explained that the total weight of the drugs was 192.3 kg. He announced that the search is being continued for new clues, because a widespread international drug trafficking organization may be involved.

He explained that the names of the others implicated are being kept confidential, so as to capture them, and preventing their escape across the Haitian border on yawls or with forged passports.

He did not specify whether any business owner is involved in the drug contraband, but reiterated that the main suspect is Garcia, on whom he gave no further details.

"This is a case that we had been following," emphasized Ventura Bayonet, before opening the 13th Conference of Latin American and Caribbean counternarcotics chiefs.

The conference is being held at the Hotel Jaragua, with 27 member nations and 20 observers participating.

When asked whether the drugs came from Colombia, Ventura Bayonet commented: "Most of the drugs come directly from there, through Venezuela, but never from Peru or Bolivia."

He explained that another route taken by the drug traffickers is that through Panama, used for sending them to Santo Domingo and, later, to the United States.

The raids in search of others implicated in the contraband have been led by Colonel Juan Francisco Luna, who is in charge of the DNCD's Center for Joint Information and Coordination.

Release of Trafficking Group Detailed

95WD0323D Santo Domingo EL NACIONAL in Spanish 27 Apr 95 p 4

[Report by Domingo del Pilar and Oscar Pena]

[FBIS Translated Text] Eight of those implicated in the shipment of 2,200 kg of cocaine seized at Boca Chica during 1990 were released by the National Drug Control Directorate [DNCD] which, after nearly three years, complied with a verdict of the Supreme Court of Justice in favor of the accused.

The information, obtained by EL NACIONAL, was confirmed by the DNCD spokesman, Lieutenant Colonel Luis Rivera Jimenez, at this newspaper's request.

The officer, interviewed at the Hotel Jaragua, where an international congress on drugs is being held, said that Porfirio Hernandez Garcia (aka Pin) and others accused were released 15 or 20 days ago. However, the information had not been made public.

Hernandez Garcia is the person to whom part of the contraband worth millions, detected during September 1990 on the Caribbean Sea, near the Las Americas Airport, allegedly was consigned.

Over 20 persons, including Dominicans and Venezuelans, are implicated in the case, the most widely publicized in the country's history, owing to the large quantity of drugs involved, and because it prompted the indictment of several judicial officials.

Involved in the case are the Venezuelans, Eli Antonio Vilchez, Jose Augusto Vilchez, Norberto Jose Castellanos Martinez, Jose Alborno Ramirez, Miguel Matias Reyes, and Martin Ramon Pirela Ortega. At the time, the latter was said to be a relative of the then Venezuelan president, Carlos Andres Perez.

Also implicated are the Dominicans, Salvador Eduardo Duverge Cuello, Luz Milagros Mendez Hernandez, Niurka Collado, Delio Calzado Garcia, Julio Rijo, Placido Julian Mendez Hernandez, and Porfirio Hernandez Garcia (aka Pin).

Although the Trial Court of the Fifth District issued a judicial finding classifying the case, in which it claimed that there was sufficient evidence to keep them in prison, a chamber of review [camara de calificacion] issued a writ of case dismissed in 1992, and ordered the release of the few who were incarcerated.

On 5 May 1992, the Supreme Court of Justice accepted a petition for habeas corpus in favor of the five accused who had benefited from the writ of case dismissed: Porfirio Hernandez Garcia, Alberto de Jesus Perez Cuevas, Julio Rijo Reyes, Placido Julian Mendez Hernandez, and Martin Ramon Pirela Ortega.

The DNCD reportedly accepted the decision of the Supreme Court and of the official commission that investigated the case of those in contempt. It ordered the release of the accused, except for Pirela Ortega, who had been freed over a year earlier and had left the country.

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As for Porfirio Hernandez Garcia, it was learned that, this very week, a general from the DNCD went to the Nautical Club, to turn over a 65-foot yacht worth $1.5 million to him. Also returned to him were the naval shipyards on the Isabela River, which he reportedly had purchased for $10 million, as well as three merchant ships, each worth $8 million. Those properties had been confiscated as the corpus delicti.

The DNCD's public spokesman confirmed the fact that part of Porfirio Hernandez' assets had been returned to him, including a 47-foot luxury motorboat and vehicles, as stipulated in the judicial decision.

He remarked that an inventory had been taken for Hernandez, so as to return the naval shipyards located on the shores of the Isabela River to him.

About 1100 hours, the official called the DNCD, confirming that, besides Pin Hernandez, the following had been released: Placido Julian Mendez Hernandez, Salvador Eduardo Duverge Cuello, Delio Calzado Garcia, Julio Rijo Reyes, Adalberto de Jesus Perez Cuevas, Niurka Collado, and Luz Milagros Mendez.

Traffickers Released in 1995 Listed

95WD0323E Santo Domingo EL SIGLO in Spanish 29 Apr 95 p 1

[Report by Claudia Fernandez]

[FBIS Translated Text] During 1995, the chambers of review [camaras de calificacion] have released 31 persons accused by the DNCD [National Drug Control Directorate] of being ringleaders of groups from which approximately 3,000 kg of cocaine and other drugs have been seized.

During January, release orders were obtained by Belkis Altagracia Almonte Hernandez and Carlos Ramirez Taveras; Juan de Leon Rodriguez; Ramon Antonio Jimenez Reyes and Jose Otoniel Jimenez; and Roberto Tonos Mauad and Librado Peralta Martinez. In February, they freed Angel de Jesus Nunez Garcia. In March, release orders were issued in favor of Johnny Lopez Cuevas, Lidia D'Oleo Ogando, Hector Jose Gonzalez Ramirez, and Raul Edilio Fornet Gonzalez; as well as Julio Cesar Solano Villanueva, Ramon Medrano Marte, Milton Pichardo Canaan, and Ramon Antonio Bernar. During April, 15 release orders were issued, including those for: Luis Carrasco Jordan, Nelson Andujar Sanchez, Fernando Cordero Cruz, Elena Rodriguez Diaz, and Reynaldo Figueroa Sanabia. Also freed, after having been accused by the DNCD, were: Porfirio Hernandez Garcia, Placido Julian Mendez Hernandez, Salvador Eduardo Duverge Cuello, Delio Calzado Garcia, Julio Rijo Reyes, Adalberto de Jesus Perez Cuevas, Niruka Collado, and Luz Milagros Mendez.

Judiciary 'Penetrated' by Trafficking

95WD0323F Santo Domingo EL SIGLO in Spanish 26 Apr 95 p 1

[Report by Claudia Fernandez]

[FBIS Translated Text] The public prosecutor of the District Court of Appeals considered the conduct of certain judges in the Chamber of Review of the Supreme Court of Justice suspicious, since they ordered the release of acknowledged drug traffickers. He joined in the protests made by the DNCD [National Dr 'g Control Directorate] chairman in this connection.

Doctor Jose Leonardo Duran Fajardo called upon the president of the Supreme Court, Doctor Nestor Contin Aybar, to make a thorough inspection of the prevailing situation, and to adopt the appropriate measures. He claimed: "The drug traffic apparently has penetrated deeply into the judicial area."

He added that, in the specific case of Ramon Calderon Marte (aka Negrito Paso Fino), Carlos Johanny Diaz Bautista, Milton Pichardo Canaan, and Ramon Antonio Portes Bernard, "the office of the public prosecutor had given a warning about this as appropriate, because there was hard evidence. But, as you can see, they released them."

He remarked that, lately, in the Dominican justice system, "the law of case dismissed" has prevailed, even though it has been palpably proven that the accused are guilty.

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President Supports Peace, Progress in Chiapas

PA0706000095 Mexico City XEW Television Network in Spanish 0430 GMT 6 June 95

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo stated today that everything possible will be done in Chiapas State to achieve reconciliation through talks and negotiation.

[Begin recording] [Unidentified reporter] During a working visit to Chiapas, President Zedillo stated that unity and peace are based on talks and negotiation. Peace, Zedillo said, will have a solid base if controversies and differences are settled according to the law and through institutional means by strengthening of democracy and social justice.

[Zedillo] We are facing the opportunity to achieve a lasting peace, with justice and dignity for those who rebelled against the long-standing social lags. Each step we take must be toward reconciliation. Today, no one can make a mistake: The aim of the negotiations are so that Chiapas and Mexico win.

[Reporter] During a dialogue with Indian and peasant organizations in Huixtla, Chiapas, President Zedillo noted that the progress of the negotiations make it possible to find ways to guarantee the rights of Indians.

[Zedillo] The progress of the negotiations will help find the ways to solve the problem of the lack of land for the families that want to work the lands. The progress of the negotiations will provide better conditions so the Indian communities may fully participate in the political life of Chiapas State.

[Reporter] Accompanied by Chiapas Governor Julio Cesar Ruiz Ferro, Zedillo reiterated his commitment to achieve development with peace and justice, which will take the form of deeds and not words. After acknowledging that Chiapas registers the highest levels of social lags, the president said the federal government is making a big effort in 1995. He recalled that social and education programs suffered in the so-called conflict zone but have been restored now.

[Zedillo] We do not want abandoned clinics; we do not want schools closed because of the conflict. And that is why the first priority after restoring a government presence in the so-called conflict zone was to work on restoring education and health services to serve the Indian and peasant residents, although we are fully aware much remains to be done in order to have the decent services that the residents deserve.

[Reporter] President Zedillo summarized the aid the government has provided Chiapas: 2,500 primary school centers were opened, 500 secondary level schools were equipped, 39 mid-level and higher learning schools were started, technical training was offered in 2,000 locations, 1.5 million Chiapas residents receive medical treatment in 525 medical units and hospitals, as well as in 20 rural medical units. Ten rural health centers were built, and 11 second-level hospitals were revamped and equipped.

With respect to nutrition, 300,000 school breakfasts are distributed to children from 94 villages and 95,000 families receive food.

In terms of production, 61,000 coffee growers were granted loans, and negotiations are being held with 39 peasant groups to purchase 23,000 hectares, as part of the agrarian lag [as heard]. Development banks increased loans to Chiapas farmers by 12 percent. Before this event President Zedillo commemorated World Environment Day in Las Palmas community in Acapetagua, where he decreed five new ecological reserves: Encrucijada and Sepultura in Chiapas, (Filo) Tierra Colorada in Puebla, Zapotitlan and Cuiautitlan in Puebla and Oaxaca, and the Cape Pulmo Marine National Park in southern Baja California.

The president was accompanied by Secretaries Carlos Rojas Gutierrez of social development, Julia Carabias of environment, Francisco Labastida Ochoa of agriculture, Miguel Limon Rojas of public education, and the governors of Oaxaca, Puebla, and southern Baja California, as well as the president's wife Nilda Patricia Velazco de Zedillo.

Central Bank Reports International Reserves Increase

PA0606201395 Mexico City NOTIMEX in Spanish 0022 GMT 6 Jun 95

[FBIS Translated Text] Mexico City, 5 Jun (NOTIMEX) — The (Central) Bank of Mexico [Banxico] reported today that its international reserves increased by $4.29 billion during the first months of 1995.

The bank stated in a communique that its international reserves increased by $1.733 billion in May only, despite the payment of $2.678 billion in matured Treasury Bonds (Tesobonos).

The communique said the increase was mainly due to a $2-billion purchase made by the government with funds from the financial aid provided by the U.S. Treasury to stabilize the currency.

It explained that the Central Bank also received $1.106 billion from the Savings Protection Banking Fund (Fobaproa) in May, due to amortizations paid by commercial banks on previously granted credits.

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The institution added that by the end of May, the monetary base had increased by 8.5 percent with respect to May 1994.

Banxico added that, between 31 December 1994 and 31 May 1995, Banxico's net internal credit decreased considerably by 42.468 billion new pesos [N$] (approximately $7 billion).

The previously mentioned results came about on account of a N$10.727 billion ($1.7 billion) reduction in the monetary base, as well as to an accumulation of international reserves equivalent to N$31.741 billion.

During the January-May period, the amount of support received from the IMF earmarked for currency stabilization purposes increased to 5.260 billion Special Drawing Rights, equal to $7.709 billion.

In addition, the U.S. Treasury Department, and other foreign financial institutions also extended financial support totalling $10.243 billion during this same period.

Total financial support received from foreign sources is less than the amortizations of Tesobonos and bank liabilities made during the same period amounting to approximately $22.245 billion.

The Central Bank disclosed that the total balance of money in circulation up until 2 June was of N$47.337 billion ($7.5 billion).

In the meantime, current accounts balances expressed in national currency to the same date was of N$87 billion (nearly $14 billion).

Trade With Venezuela Increases 300 Percent

PA0706022895 Mexico City NOTIMEX in Spanish 2146 GMT 5 Jun 95

[FBIS Translated Text] Caracas, 5 Jun (NOTIMEX) — Mexican Ambassador Jesus Puente Leiva has said trade between Mexico and Venezuela has increased 300 percent in the last four years, which demonstrates the strategic importance of the Group of Three [G-3], the organization these two countries make up, along with Colombia.

Puente Leiva explained that bilateral trade during the 1980's "was $100 million per year, and since 1990 it has grown to approximately $400 million."

Participating in a conference on the Mexican economic situation sponsored by the International College of Venezuela, Puente Leiva indicated that "if it were not for the G-3, we would have a vacuum between NAFTA and the South American and Caribbean countries.

Trade in the G-3 is estimated at $2.5 billion per year, and the gross domestic product of the group is $373.1 billion.

He stated that instruments such as the G-3, the Common Market of the South (Mercosur), and the Caribbean Common Market help to solve concrete trade problems at the subregional level within the framework of the economic globalization prevailing in the world.

"Subregional organization is the concrete solution to situations that the globalization [words indistinct]," he stressed.

Puente Leiva believes the G-3 is a sort of "joining mechanism" between NAFTA and the Latin American markets, and it also enables the region to diversify its trade.

He emphasized that Latin America must make unity and regional dialogue more consistent in terms of its interests.

"We cannot do everything on our own," Puente Leiva pointed out.

He noted that Latin America is the only platform available to the United States to compete with the Japanese and European markets.

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Guatemala

De Leon Says 2 Years in Office Satisfactory

PA0706010895 Guatemala City PRENSA LIBRE (REVISTA DOMINGO Supplement) in Spanish 4 Jun 95 pp 8-10

[Interview with Guatemalan President Ramiro De Leon Carpio by M. Vargas in Guatemala City; date not given — first three paragraphs are an introduction]

[FBIS Translated Text] He enters hurriedly in the living room of what has been his house for the past two years and where we have been waiting for him. He is 30 minutes late, almost nothing for a man who must juggle his time between his obligations as chief of state and family commitments.

His second anniversary as Guatemalan president is a good excuse to talk to him about his administration, the difficulties he has faced, and the plans for his next seven months in office.

This is an excerpt of a nearly two-hour long conversation during which De Leon Carpio analyzed his administration and certain current issues.

[Vargas] When you took office, you did so without a government program or work team. Two years later, have you been able to establish your agenda and to get the people to implement it? What are your administration's main accomplishments?

[De Leon] I arrived amid a chaotic situation. There was social upheaval and an economic crisis the likes of which no other president has ever faced. There was a fiscal reform that had not worked, and corruption had left the treasury empty.

In the past two years, most of which have been spent in constant confrontation, I have been able to organize a work team, and together we have been able to create the 180-day plan and the working agenda for 1994 and 1995.

The institutional system has been rescued, preserved, and strengthened thanks to a number of measures, ranging from academic aspects to the changes of the defense minister and the chiefs of the presidential general staff.

The next president will find a totally and absolutely stable Army convinced of the professional role it plays within the democratic system.

In the political area, I was able to clean up the state institutions after a year of confrontation. In the economic area, the currency is stable, we have more than $800 million in monetary reserves, and inflation is around 8 percent.

In general, the monetary, exchange, and credit policy has produced results, and the best proof is that a shadow agreement [acuerdo sombra] was reached with the IMF. The doors of international financial organizations are opened to us, because they have recognized our efforts.

We also undertook fiscal reform, something that led to a confrontation with the private sector. That struggle was perhaps the biggest, most difficult, and costly of all the ones we have confronted. Perhaps I did not achieve what I had hoped, and I had to resort to a political strategy such as the unification of tariffs so as to negotiate and recover something of what the Constitutionality Court had suspended.

Nevertheless, my successor, unlike myself, will not have to negotiate another fiscal reform, because he will have the resources needed to address the most difficult of all challenges: the social challenge.

Without exaggerating, these two years have been satisfactory, because I have achieved many of the goals I set for myself, and I still have some months to achieve others. Institutionally, politically, and economically, we are alright. We are at, perhaps, the most interesting moment, when we can either take off and take a great step or get bogged down and even take a step backward.

[Vargas] To what are you referring?

[De Leon] To the fact that if we do not strengthen economic stability by dealing with social needs, we could affect political stability in the future and even the stability of institutions. This is a warning I am issuing, aware of what I am saying.

[Vargas] When you talk about how well we are doing, it is hard for the people to share that enthusiasm, particularly when issues such as the family economy and insecurity have become their worst headaches.

[De Leon] I agree. The people are not interested in the fact that the new government is going to have available 1.8 billion quetzales for its administration next year. They want their most immediate needs to be satisfied right now.

Let me tell you, however, that the results of some of the measures we have taken, such as administrative, economic, and fiscal decentralization, are visible in the rural areas although difficult to see in the urban areas, and have begun to produce substantial changes.

In certain villages and hamlets, people who had waited for years for water and electricity services now have them. Services are reaching them, not only because of our participation but also thanks to the community's involvement.

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We have promoted the culture of community participation, something that is revolutionizing Guatemala. The people are no longer putting their hands out for father government or father president. They are asking and demanding today, but they are also giving.

I admit that in the area of citizens' security I have not achieved good results, because it is a structural problem difficult to resolve. Nevertheless, I still have seven months during which we will continue to take urgent and necessary measures to counteract the lack of security for citizens.

[Vargas] Let us return to something you mentioned at the start of the interview, the Army's stability. It is reportedly divided into two groups: One is prepared to accept a purge within the institution, no matter what it costs, and the other is opposed to changes. What is happening?

[De Leon] We are going through a change of mentality and attitude, and most officers agreed it is irreversible. I cannot deny, however, that certain officers and people outside the Army are upset because they had to go, and they react by joining the extremist forces of other sectors to try to stop the transformation.

Many of them argue the dignity of the institution is at stake. That is not true; that is not even a topic of discussion at the table of negotiations. One thing is true, however: The Army will have to play a different role henceforth. In addition, let us keep in mind that this is the end of the war, and endings always bring upheaval. Some people had not become concerned, because they saw it as something far away, but now that it is near, fears have begun to arise.

These are hard yet interesting and tremendously positive times, because we are finally seeing a true transition that formally began with the coup that toppled General Romeo Lucas Garcia, but that was a formal transition; the true transition is about to take place or is taking place now.

We have broached infrastructure aspects that have given rise to concerns, not just inside the Army but inside the private sector as well. The discussion of Agreement 169, the proposal to tax idle land, the topic of socioeconomic aspects, and the situation in the countryside being discussed at the negotiations table, to cite a few examples, are giving them the jitters.

[Vargas] One of the worst criticisms leveled at your administration is the slow pace in prosecuting officers linked to illicit actions, such as drug trafficking, kidnappings, and even having ties to the CIA.

[De Leon] The progress is perhaps not clear, but it is there. We are, perhaps, moving slowly in this respect, but as long as accusations are just mere statements and no evidences are presented, it is difficult to begin prosecutions.

The pace would not be slow if we had the proof. If there is someone interested in learning the truth, it is I. It would be disgraceful, for example, to have to corroborate the accusations by Senator Robert Torricelli, but the Army as an institution would ultimately be the winner.

What we are doing is increasing the risks. People thinking about committing illicit actions have to think twice now. That is no mean feat in Guatemala. There was no chance those people would be prosecuted before, whereas they now have to go to court to explain their situation, as it happened with Colonels Alpirez and Garcia Catalan. I can assure you that everybody not involved in illicit actions, primarily the middle rank officers, agrees the institution must be raised to a level that, unfortunately, it has not had, because it has been drained.

All those individuals linked to common offenses must be purged. Those actions pertaining to the 34 years of conflict will fall within the jurisdiction of the Commission for Historical Clarification. It is not fair that they should be tried for defending their fatherland.

I know the people and the news media get desperate and criticize me. We are advancing, however, with the wisdom and intelligence the cases require, because we are not going to run into a wall either. There is no turning back.

[Vargas] Are we going to sign peace this year?

[De Leon] It should be signed this year and not because I am the president but because it is the right time. Later on, things can get complicated. At this time, at least, the conditions are set, and the URNG [Guatemalan National Revolutionary Unity] attitude shows it. Except if something happens at the end of my term—and I doubt it—peace will be signed, but the signing must have a content. That is why the topics remaining to be discussed are tremendously complex. We already signed two agreements, and one of them, the one on the identity and rights of the indigenous peoples, is a heck of an agreement.

For the first time, we are recognizing the multilingual, multicultural, and multiethnic reality of the country. Many are frightened by it, but then everything frightens them, but we are recognizing a reality that exists, and that is what the reality is depending on so that it does not turn into a conflict.

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Therein lies the solution to the Indian problem, which is not a problem but may become one. Guatemala will be saved if we provide Indians the opportunity of finding among themselves the balance between their customs, identity, and cultural, economic, and social progress.

Even if a peace accord is not signed, the way the process has progressed is a great achievement. Nevertheless, I am worried about the change from one government to another. We are already working with a commission that will draw up the obligations derived from the already signed and pending agreements involving all sectors, including the political sectors, that will implement the agreements.

The next government must be given much support, because although it will not have to face institutional, military, economic, and political problems, it will face one of the greatest challenges of humankind: the struggle against extreme poverty, exploitation, and injustice.

If those social demands are not resolved—and therein lies the importance of the tax reform—the peace that is signed might not be lasting. I have always spoken of peace, not as an absence of war but as a peace that encompasses economic and social aspects.

Although this does not mean the end of all our problems, it will end the main source of the violation of individual human rights: life, integrity, dignity, liberty, and security. As a result, one of the greatest obstacles to the country's economic and social development will have been surmounted.

If we want peace to really exist, reconciliation is needed, and reconciliation requires forgiveness and forgetting in turn.

[Vargas] When the time goes to place the presidential sash on the new president on 14 January 1996, what will you regret the most you did not accomplish?

[De Leon] If that day arrives without having signed a peace agreement, I will tell the next president that I am sorry I am turning over a country in war. If peace is already a reality, however, I would regret not having done more to fight poverty.

I would also regret not leaving citizens with greater security, although I hope I will yet be able to do some things from now to January.

[Vargas] Then you do not plan to resign on 6 June as has been rumored?

[De Leon] Some months ago when I appeared on a nationwide network confirming I was not thinking of being a presidential candidate, I did so because of the strong rumors in this regard.

At that time I said there was a legal obstacle.

Now, once again, various groups have brought up serious studies while others have brought up legal loopholes to try to find the legal way for me to be able to be a candidate, but that is a distortion of the Constitution. How am I going to say I am resigning so I can participate in my political campaign? I would be letting down the people who trusted me to be president during this transition period.

Those who try to convince me argue that certain polls rank me very high among the presidential candidates, even though I am not a candidate, and they say I am favorably viewed by the people even though I have been constantly criticized for not doing something or other.

They raise two arguments: that I am the only one capable of confronting General Efrain Rios Montt and that there must be an opportunity for everyone to participate. The Constitution states otherwise, and it is not a matter of ordering something else.

The other argument is that the period after peace is signed needs someone that will guarantee the transition, and I have the support of the international community.

But I have said no. I took office on 6 June 1993, and I will leave the Presidency on 14 January 1996.

Nicaragua

More on Chilean Embassy Occupation, Abduction Incident

PY0606144395 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 6 Jun 95

[FBIS Translated Text] Three hooded men yesterday abducted the husband of the Chilean ambassador to Managua, Nicaragua in a terrorist action that seems intended to intimidate Nicaraguan officials.

The Chilean Government has sent a message to the Nicaraguan Foreign Ministry demanding a broad investigation. In Valparaiso, relatives of the ambassador have experienced great anxiety.

In Valparaiso, Councilwoman Marisol Paniagua experienced great tension upon learning about her father's abduction. Enrique Paniagua was an outstanding basketball player from the zone and an engineer by profession. He worked for 35 years for the Conjon petroluem refinery plant until his retirement last year to accompany his wife, who was designated ambassador to Nicaragua.

Calm has returned since the news of his release, and after a telephone conversation between the councilwoman and her mother, and her 10-year-old daughter Constanza, who lives in Nicaragua with her grandparents.

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[Begin Marisol Paniagua recording] The police theorize that the terrorists made a mistake, that the ambassador was the one to be kidnapped, and that this is reportedly related to the Letelier case. [end recording]

She also said that her father was saved because one of the kidnappers thought he was a priest.

[Begin Marisol Paniagua recording] The terrorist asked my father whether he was a father. And my father, thinking he was being asked if he had any children, answered: Of course I am a father. And so this gentleman told him: I do not want to harm you, Father. I believe in God. [end recording]

In Santiago, the Chilean Government has demanded a broad investigation and a redoubling of security at the embassy.

[Begin Acting Foreign Minister Fernandez recording] The Chilean Government has requested, through a verbal message to the Nicaraguan Embassy, a thorough investigation of the case to clear up this incident, which, although unpleasant, does not affect our positive relations with that Central American country. [end recording]

According to Fernandez, the Nicaraguan Government has promised to find the kidnappers.

The abduction of Ivan Enrique Paniagua has had dramatic effects. When they approached him, the criminals were pulling the Chilean consul by her arm and threatening to explode a bomb. They thus obtained what they wanted.

[Begin recording] [Ivan Enrique Paniagua, husband of Chilean ambassador to Nicaragua] At that moment I saw a young man who was approximately 1.80 meters tall. He was young and sturdy, and was pulling the Chilean consul by the arm. This caught my attention, also because he seemed rather in a hurry. But the occupation took place without violence. He had a package in his hand, which did not look like a bomb to me. I finally realized that it was not a bomb, that the bomb was inside a briefcase he was carrying.

[Laura Soto, Chilean ambassador to Nicaragua] Obviously, we must be alert, because if this is a political situation, it can be repeated. May God not allow this to be repeated, much less result in a tragic situation. Fortunately, no one was injured today. [end recording]

Daniel Ortega Discusses FSLN Objectives

PA0706025295 Managua BARRICADA in Spanish 5 Jun 95 pp 1, 7

[Interview with Daniel Ortega, secretary general of Nicaragua's Sandinist National Liberation Front, by unidentified BARRICADA reporter; place and date not given]

[FBIS Translated Text] [BARRICADA] The rightist majority in the National Assembly is preparing to approve a property law. Do you think this will definitively resolve the property conflict?

[Ortega] There is no political will to resolve the property problem. There are many laws, and they mirror political wills. Laws 85, 86, and 88 are legitimate and consistent, and there is no reason to legally question them in order to bury them under another law. We are looking at this from a political point of view because this is no longer a legal concern. Legally, the people are backed by laws. The problem is political.

[BARRICADA] Apparently the government has its own strategy.

[Ortega] The government is promoting a policy to wear down the workers' enterprises, and it is using all sorts of sophisms and schemes to return those enterprises to their former owners in order to be in good standing with the groups that have economic clout, with whom the government identifies since this is, after all, a class problem.

The government is not interested in properties remaining in the hands of any John Doe, regardless of whether he is a Sandinist or a contra. If the government has to choose between John Doe keeping a property and returning it to Silvio Arguello Cardenal, a rich man, the government prefers the second option, whether the latter was a somozist or not, because the government's sympathy is with Silvio Arguello and not with strengthening John Doe as a producer, because he does not belong to the government's class.

The government is interested in the power structure that existed in the days of Somoza, with economic power being shared, with the pie being distributed among those who have traditionally ruled the country, with trying to erase and obliterate the transformations promoted by the Sandinist revolution with regard to property.

This explains the workers' struggle, and they are going to go on strike, regardless of how coslty this will be for them. The struggle is not cost-free. The struggle being waged for over a month has to do with the property problem and with other problems such as the tax policies of both the central government and, in the case of Managua, of the mayor. These policies represent a big burden on the country's largest city, and this produces unrest among the people who are forced to streuggle. The Sandinist National Liberation Front [FSLN] has the obligation to accompany and lead the people. This is its political and moral obligation.

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[BARRICADA] What is the FSLN's position regarding the police? Is it asking for Commander Caldera's head?

[Ortega] This is another lie by those who want to set up a confrontation between Sandinism and the police. It is the enemies of the people, of the revolution, and of the FSLN who would benefit from that. These are people who have been fueling the fire following the tragic incidents of Rubeina, where unfortunately three companeros died.

The police must safeguard order but not use excess power and must act wisely when the people protest, even when the people make mistakes. We cannot justify a repeat of the days of Somoza. There are forces of darkness, like during Somozism, interested in a confrontation between the FSLN and the police.

We are looking for communication not only with the government, but with the armed institutions and with the Government Ministry. We calling for caution on the part of the police so as not to antagonize the people and to prevent adverse opinions.

After all, the police is an offspring of the revolution and it must be taken cared of. We have the obligation of saving it, and this requires a lot responsibility from everybody, including the government authorities and the police command, which must find ways to face popular demonstrations without starting shootouts. We are also against people going to protests armed and firing on the police. This kind of confrontation is disastrous.

[BARRICADA] Has the Army taken sides?

[Ortega] The Army maintains an institutional position. The FSLN promoted the institutionality of the Armed Forces for the first time when it promulgated the Constitution. The Army and the police are institutions answering to the government.

[BARRICADA] Did the national protest fail?

[Ortega] There is no failure. We are witnessing a protest that is expanding, with thousands joining it daily throughout the country. What happens is that if there is no violence, no confrontation, no casualties, some in the media believe there is no protest while others who cannot be identified as sandinists, are reporting it objectively.

Struggles yield fruits and those who protest represent themselves and also those who do not protest publicly but are unhappy with the government's measures and economic and social policies. The poor, the middle class, and producers agree that the energy and water bills and fuel prices are unbearable.

[BARRICADA] Some ministers have said that if the FSLN were in power it would also eliminate subsidies.

[Ortega] That is an excuse to cover up policies that affect the poorest sectors of the population. When there is a popular government, such as the one I headed, there are resources that are considered more important than a given amount of money, resources that can be heightened with the participation of the people, with the young cooperating in health, education, and production activities. The potential is huge. For example: This administration would have never had a budget or enough foreign resources to carry out a national literacy campaign.

[BARRICADA] What is happening with the FSLN rank and file? Is there lack of motivation, disillusion?

[Ortega] The medium-term objective of the FSLN is the 1996 elections. We have just emerged from an internal conflict, with a group of former members deciding to break away and forming another group. It would have been ideal to continue together but they took this decision. This ended a situation that was the source of insecurity and internal confusion that debilitated our potential to work.

Now the FSLN is looking towards 1996. We must work fast to regroup the Sandinist force that joined during the last quarter of last year — more than 300,000 Nicaraguans. We have to gather strength, participate, and support the struggles of the various social and economic sectors, be on the side of the unemployed, of the workers, of the people who demand health and education, of the producers who demand credits, of those struggling for property not only with words but also with actions.

Especially, we must rescue solidarity. I think this is the main weapon, the main resource, the capital of the FSLN. This is what we must defend most. This government is promoting liberal policies whose essence is egotism. We, Sandinists and non-Sandinists, must rescue the banner of solidarity; the poor, the dispossessed must do it. This is the political and moral weapon we have to mobilize the people. If there is no solidarity it will not be possible to survive and to promote the country, as life has demonstrated.

[BARRICADA] What is the FSLN National Directorate "cooking" with regard to the presidential candidate for 1996?

[Ortega] That is a topic we have not addressed. First we want to discuss the 1996 platform. We will discuss with the Sandinist Assembly the electoral aspect during the first half of June. We will discuss opinions on how to select candidates for aldermen, mayor, deputies, president and vice president.

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This is a process during which we will discuss a document already in the hands of the members, a document that should come enriched with the results of debates throughou the country. The establishment of a policy in favor of unity with popular sectors, our policy of alliances with economic and social sectors, and even with political forces, will be a fundamental part of our strategy.

We talked a little of the selection mechanisms to be followed, including a very democratic way of choosing a candidate: to call openly on the people, Sandinists and non-Sandinists throughout the country, and asking them: "This are the candidates, for which one would you vote?," thus placing the candidate's leadership at stake.

[BARRICADA] What general policy would be followed in securing alliances?

[Ortega] More than an alliance, this would be unity with sectors having affinity with Sandinism and with the Sandinist Revolution. We must seek popular unity and think about an alliance with non-Sandinist economic sectors, sectors that antagonize class interests that we defend but with which we share one objective: to save the country. This is possible only by establishing a grand national alliance, because the country's adversary is not within, the adversary is the international market. A Sandinist and a non-Sandinist producer will have the same difficulties while trying to compete in the Central American market.

[BARRICADA] What forces, besides the FSLN, will participate in the elections?

[Ortega] At this point, the only force clearly running side-by-side with the FSLN is the Liberal Constitutionalist Party [PLC].

[BARRICADA] What about the National Project?

[Ortega] This is a party of very recent formation and does not have legal status yet. We do not underestimate anything. I think that in politics no adversary is too small. However, right now there are two big political groups: the FSLN and the PLC.

[BARRICADA] What are, in your opinion, the true causes of the conflict between the branches of the state?

[Ortega] The arguments of the executive have to do with its own interests. It is demanding more freedom to act. Parliament, on the other hand, is exercising a natural tendency toward looking for ways to seize all power for itself. Nicaragua does not have a parliamentarian regime. There is talk about the need for equilibrium in the administration of power.

There are two branches of the state directly elected by the people: the executive and the legislative branches. Equilibrium is fundamental. The reforms are important, but not to put all power in the hands of the executive or the legislative but to find an equilibrium that will generate governability.

Otherwise there will be crises when the time comes for the legislative to legislate and for the executive to adopt measures; when the time comes for electing Supreme Court or Supreme Electoral Council [CSE] justices. Then we again will have problems like the ones we are going through now. The roots of the problem are not in the reforms, since we all agree the reforms are necessary, but in their content. The reforms have essential elements that are antidemocratic, and we do not agree with that because these elements favor a policy that excludes the poor and benefits minorities that have better econon ossibilities. We have clear differences with the ref .... being defended by the National Assembly board of directors.

[BARRICADA] The politicians in Parliament and in the government have agreed on an agenda to eventually resolve the institutional crisis. The FSLN has announced it will not acknowledge agreements reached at the top. Why? How do you evaluate the situation?

[Ortega] There is an inflexible attitude, and there is no will to hold a true national dialogue. National Assembly directors and government ministers want to ignore important sectors when debating issues of national interest. To have an agreement that will give the country a certain degree of stability it is necessary that the country's main political, economic, and social forces participate. This is what we propose. I do not think the legislative-executive dialogue that today begins a new round will fare well, because both are taking unyielding positions.

[BARRICADA] But both branches of the state are saying they want an agreement.

[Ortega] Since October 1994, we have been calling for national dialogue, but this appeal has found no receptive ears. They have made many attempts to agree on some aspects of the reforms, and they have not succeeded. When they fail to reach agreements they prove right our position that a dialogue with broad and representative forces is necessary.

[BARRICADA] At the National Assembly, the FSLN is being accused of being against the reforms. What is the official position?

[Ortega] We are still in favor. The FSLN is the progenitor of reforms. We have been promoting them since August 1993. We discussed with the National

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Opposition Union a draft with a basis on the principle of searching for basic consensus to make them viable. Our position is consistent. We believe the reforms must not be imposed and must not ignore groups, but must include the people, the various political forces, and truly represent democratic progress.

[BARRICADA] Is there time to elect new CSE magistrates before 7 June?

[Ortega] We have to initiate a national dialogue, first of all, to discuss the economic and social issue, then institutional matters, give priority attention to the CSE, and keep the crisis that has already impaired the Legislative and Executive Branches and is already advancing on the Judicial Branch, from wearing down the CSE. If there is a political will, it is possible to reach agreements in a matter of hours. The idea is not to hold indefinite discussions. But it is worrisome to see there is no political will, and we point to the historic responsibilities the Executive and Legislative Branches, which could sink the country into an even deeper institutional crisis, have in the face of the Nicaraguan people and the international community.

[BARRICADA] What do you think of the proposal to not elect new CSE magistrates?

[Ortega] The CSE magistrates demonstrated much honesty, efficiency, and experience in the 1984 and 1990 elections. No political force can doubt their honesty, put to the test in those elections.

Any proposal that has the backing of the political forces, and not just its leaderships, could save a most important organization and enable it to guarantee credibility in the 1996 elections.

[BARRICADA] Do you think the people are following the institutional crisis with interest?

[Ortega] The people are not interested in that, but it involves them. The reforms represent a possibility for democratizing or not democratizing the country socially and economically, of facilitating the return of a system of a minority over the majority. The reforms facilitate privatizing education, health, and basic services, and the people should be concerned about this, but the people are more interested in resolving their every day's problems, in finding food, jobs, medicine. They, logically, are responsibly looking for ways to survive and do not pay too much attention to the reforms.

The reforms represent strategies that will affect the country's future. We are talking about signing agreements with international organizations. This has to do with the country's future, regardless of who is governing, and all of us should be concerned about this.

Another dangerous element is that around mid-June there will be a meeting in Paris on foreign cooperation with Nicaragua [sentence as published]. It is worthwhile recalling that this meeting has its roots in an initiative that we promoted in 1988 and that materialized in 1989 in Stockholm, Sweden. This Paris meeting is the fruits of what was initiated by the Sandinist Government.

Now some leaders of the National Assembly are nonchalantly saying that if what they want done is not done, then international aid will not come. We will not favor this type of position, this manipulation of foreign aid, which if further restricted will have an impact on credit policies, production, and employment in general, because we have a neoliberal government.

We condemn all attitudes in favor of blocking the flux of resources to the country as we condemn the U.S. extreme right that puts conditions on aid in a blackmailing way that hurts the people, not the governing family. It is the people who pay everything.

[BARRICADA] If there is no agreement between the state branches, what will happen to the 1996 elections?

[Ortega] All this affects the conditions necessary for reaching the elections without much shock in the country. There are negative signs, but there is still time to save the situation, and this would be possible if we work on the necessary mechanisms. I hope I am mistaken in believing these mechanisms will not function, though. I believe they will reach superficial agreements that do not go to the root of the problem, and the crisis will continue. The alternative we have left is a broad and representative dialogue.

[BARRICADA] To what do you attribute the fact that neither the Executive nor the Legislative Branch accepted the national dialogue?

[Ortega] Because they claim a representativeness they don't have. From a formal point of view, both have the authority that the votes cast in the 1990 elections awarded them, but at this point, the executive branch and the political forces that form a rightist alliance in the National Assembly represent less than 50 percent of the people who voted for them. These people do not acknowledge them as their representatives.

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Argentina

Cavallo Admits Recession, Forecasts 'Nice Spring'

PY0606231995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1540 GMT 6 Jun 95

[FBIS Translated Text] Buenos Aires, 6 Jun (NA) — Economy Minister Domingo Cavallo today forecasted that "we will have a nice spring" following the difficulties foreseen for the next two months.

Cavallo was optimistic about the economy in the medium term after a warning by President Carlos Menem yesterday that June and July "will be somewhat difficult."

This is the first time the minister has admitted the economy is going through a recessive period following "the disappearance of the supply of credits and high interest rates."

Cavallo said: "We are trying to quickly rekindle the offer of credits that will expand the economy and pull us out of this recession. If we were to violate the Convertibility Plan to face our payment obligations we would be resuscitating inflation."

The minister recognized that the situation "is slightly tighter than normal due to the scarcity of credits and the exit of capital during the first four months of the year."

Cavallo said that the situation "will return to normal," adding that "we will have a nice spring." He thus recalled former Minister Alvaro Alsogaray's phrase "we must weather the winter."

Cavallo denied that the variable used to balance fiscal accounts has always been to remind the population that "the personal wealth tax (the deadline for which was brought forward) is not paid by workers, but by people with important investments."

He said: "A country with internal and external debts must fulfill its commitments strictly and pay interests in time so as to maintain its credit worthiness. Our main obligation with the population is to maintain stability and defend the purchasing power of salaries."

With respect to the rescheduling of state workers' payday deadlines, Cavallo reiterated that the change "is contemplated in the law," adding: "We paid ahead of time when we were doing very well, but that is not normal."

The minister emphasized that the government will pay public administration workers salaries and its debts with suppliers, contractors, and providers of services "according to legal terms."

Cavallo said this at the end of a ceremony to inaugurate the Latin America-Germany Seminar that was also attended by his counterparts from Germany and various regional countries.

The minister stressed that the so-called tequila effect "has been undoubtedly overcome" even though Menem said yesterday that we must wait "at least two months" to definitively overcome those effects.

He added: "Shares have recovered their values, and bonds and interest rates are gradually returning to their normal levels," adding that credit restrictions during the first months of the year "will still probably affect us this month."

Cavallo stressed: "Internal consumption, which dropped lately, will tend to return to normal levels as of July. We must not forget that our exports are experiencing strong growth and investment plans continue firm."

At first he abstained from speaking about the controversy over patents, but then agreed with his German counterpart Guenter Rexrodt, who said: "Investments are not possible unless intellectual property rights are protected."

Cavallo said: "Countries that receive investments, particularly in high technology and to finance research, protect intellectual rights well and prevent people from benefiting by copying."

The minister reiterated that Argentina "has a commitment because it has signed the GATT agreement which, under our Constitution, outranks any normal law."

Bolivia

Coca Growers Reject Presence of U.S. Senators in Chapare

PY0606182095 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 6 Jun 95

[Live relay by Hans Soria from Cochabamba]

[FBIS Translated Text] Coca growers indignantly rejected the presence of a group of U.S. senators, led by U.S. Ambasssador Curtis Kamman, that overflew the Chapare tropical region on 4 June, allegedly to evaluate the development projects the U.S. Government is implementing in this region.

The visit of the U.S. Senate group to the Chapare was so unexpected and confidential that even the U.S. ambassador didn't want to make any comments.

Peasant leader Evo Morales said the visit confirms the U.S. political and economic domination, and the extreme submission of President Gonzalo Sanchez de

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Lozada, who apparently rented the national dignity and sovereignty at a low price:

[Begin Morales recording] I personally don't have any information as to whether they had permission to be here. Apparently they didn't have permission, because there was no Bolivian official in Chimore. Apparently this was a very quick but suspicious visit. What would be the reason for the U.S. senators' visit to Chimore? I believe this is another way of imposing their views, another way, perhaps, of conditioning coca eradication and aid. [end recording]

President Said Conducting Administration 'Adequately'

PY0606223595 Cochabamba LOS TIEMPOS in Spanish 16 May 95 p A2

[FBIS Translated Text] La Paz, 15 May — The government today rejected a reported lack of coordination between the executive branch and the basic institutions of the country, adding that the president is conducting the state administration adequately.

Social Communications Minister Ernesto Machicao thus replied to Guillermo Bedregal, deputy chief of the ruling Nationalist Revolutionary Movement (MNR), that President Gonzalo Sanchez de Lozada is "doing a job that should be made by a team."

"This is the opinion of one person," Machicao said, trying to explain that Bedregal's criticism is not shared by other leaders of the ruling party.

He said the president "coordinates with all ministers," thus rejecting Bedregal's controversial statement that "the government is working to overcome the gap between the executive branch and the civilian society."

Machicao added: "This opinion does not reflect the government way of coordinating the administration" with the council of ministers.

He said the talks with leaders of the Bolivian Labor Federation two weeks ago "is the best evidence that the government is on good terms with the civilian society," as it continuously negotiates with organizations and institutions.

Machicao said: "It is difficult to say there is a discrepancy with the civilian society when there is an open dialogue with union organization."

Moreover, he again denied that the president is considering a change among some of his aides. "There was no talk about that issue," he said.

Brazil

Planning Minister Analyzes Economy

PY0606180895 Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Jun 95 Section 2 p 4

[Interview with Planning Minister Jose Serra by Valdo Cruz and Marta Salomon at the minister's office on 2 June]

[FBIS Translated Text] [FOLHA] Could the interest rate policy change following the replacement of Central Bank President Persio Arida?

[Serra] Persio's resignation had absolutely nothing to do with interest rates. The policy will not change. His resignation will have no effect on the monetary policy.

I understand that high interest rates are undesirable. As we focus our attention on the cause — interest is the effect, not the cause — rates can gradually drop. There will be no abrupt changes.

Interest rates are already gradually declining. As a matter of principle I make no estimates, but the trend is a slow, gradual decline, which I hope will be stable.

[FOLHA] Some sectors of the economy complain about interest rates, claiming that they produce recession. What is your opinion of that?

[Serra] It is normal. The economic policy process in Brazil, and for that matter in any other country, is always conflictive. Especially in our case, because we have just come out of a 15-year super-inflation process in which many things were upset.

Each sector has its own equation, and sometimes the equation is properly formulated. The government problem is that it must manage an entire system of equations of agriculture, commerce, industry, and car importers.

[FOLHA] Did government restrictions go too far?

[Serra] That is absurd. Interest rates are high because of the excessive growth of credit and of the economy, because such growth is not sustainable and spurs inflation.

If action is taken against the cause, rates can gradually drop.

[FOLHA] What do you think of the entrepreneurs' contention that the current policy can lead to exhaustion?

[Serra] The opening process in Brazil was very strong. In this century, few economies opened as fast as the Brazilian economy did. So imbalances are natural because the economic policy is no ladies' tea party, no Japanese tea party perfectly arranged and delicate.

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Thus, it is only natural to make restrictions, trying to give the country the instruments against unfair commercial practice, which exists all over the world.

Brazil might be the most poorly prepared to face unfair commercial practice. Ironically, whenever Brazil mentions the subject, the country is said to be anti-liberal.

Yet the world's most liberal countries do have those instruments, which they actively use. Mexico itself — until recently the "enfant gate" (dear child) of the international financial community — adopted quite drastic measures to prevent foreign dumping (the sale of products at prices below the cost of production), even in connection with China.

[FOLHA] In this adjustment process, do you expect some enterprises to close, or do you think the government should try to strengthen anti-dumping legislation?

[Serra] That dilemma is not applicable. The government has no intention whatsoever of sponsoring an economic policy to close enterprises. For us, the economy is not a shrine for sadomasochist sacrifice. Yet it is obvious that enterprises should increase investments and thus promote efficiency and competitiveness.

It is also obvious that enterprises in Brazil have made little investment. One of the reasons was super-inflation and protectionism. This new phase of the economy, of stability, entails a race for efficiency, and many enterprises are not used to that.

[FOLHA] Persio Arida advocated de-indexation as of July, without any gradual implementation. Will Arida's resignation weaken this position within the government?

[Serra] Persio's stepping down is a loss for the government. It would have been better if he did not resign. Yet the loss caused by his stepping down is not irremediable. There is no two-team game in connection with de-indexation. It is not a controversial issue within the government.

[FOLHA] What is the consensus?

[Serra] Let us say that discussions on the subject deal only with practical matters. There are no conceptual differences. The consensus will become known when the proposal is made. We will not make any anticipated release. There is no hurry.

[FOLHA] There are expectations that salaries will be immediately subjected to de-indexation, but in the case of the TR [Reference Interest Rate] and the Ufir [Reference Fiscal Unit], the government might be choosing to gradually eliminate them. Is this an accurate analysis?

[Serra] The TR is not an index but an interest rate. Salaries are tied to an index, and so to a certain extent is the Ufir, but the TR is not. Many people are confused about this. The TR can be changed or can remain unchanged; it is not a problem of de- indexation of the economy. The Ufir is undoubtedly an index, and we are examining it.

[FOLHA] What is the inflation rate target?

[Serra] The target is de-indexation. I make no forecasts on inflation. Our target is to keep inflation at a much lower level until the end of the government term. getting the inflation rate to drop from 2,000 percent to 30 percent is something.

Yet going from 30 to less than 10 percent is very different, because it is a very different process in which there are structural factors. There is the inheritance from super-inflation, with difficulties that must be overcome: interest rates for agriculture, increased prices of services rendered by individuals, rents, monthly school fees, etc., and the problems that various sectors have with respect to the liberalization of the economy.

[FOLHA] Yet could the government use a recession to make the annual inflation rate drop to 10 percent?

[Serra] No — I reiterate — this is not a sadomasochist government. The economy is neither a shrine for sacrifice, nor a dancing place, from the viewpoint of excitement.

[FOLHA] Are you convinced that this is the right time to implement free salary negotiations?

[Serra] The criterion is free negotiation, but we have not yet defined a formula, whether or not there will be a transition. Until 1964 Brazil had no salary formula.

The idea that salaries must be regulated by law came from an authoritarian regime. It then became a banner of the leftist sector and of unions. Funny, even paradoxical.

All over the world, 90 percent of the stronger industrialized countries have no general salary formula for their economy, but they pay good salaries. In Brazil, it would be difficult to conceive something like this.

We must put Brazil on the path of broader freedom of negotiation. The situation in Brazil is almost unique in the world. We will soon become a scientific curiosity (laughs): Irish students will come for their masters' thesis to a country in which salaries are regulated by law.

[FOLHA] The government confronted a strike that lasted more than one month. Did the government want to teach the unionists a lesson?

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[Serra] The government did not want to teach any lessons. Yet our policy calls for austerity with enterprises. This policy is necessary — from an economic viewpoint — to promote the efficiency of enterprises and to curb inflation. It is the policy that we will implement. It is very important to obey the law.

We saw that the exacerbation of corporatism ultimately leads to the isolation of the poorest movements from the rest of the population. Unions will certainly learn that.

[FOLHA] Do you attribute the May trade balance deficit to the oil workers' strike?

[Serra] The trade balance data for May is not yet available. It will be available in mid-June. Therefore, all that has been said is speculation.

I formulated a hypothesis, and so did Finance Minister Pedro Malan. It is perfectly legitimate. It was not a scientific analysis. I do not expect a stable trade balance this month (May).

[FOLHA] When will stabilization be reached?

[Serra] Stability will come little by little, because of the delayed effect of the measures being adopted.

[FOLHA] And the Union budget balance? The government announced cuts worth 9.5 billion reals, but nothing more was said.

[Serra] Cuts are being implemented. We expect to reach the end of the year with a zero deficit.

[FOLHA] President Fernando Henrique Cardoso expects a revitalization of investment. What is your expectation for 1995?

[Serra] Investment in Brazil is rapidly being revitalized. We expect investment to reach 18 to 19 percent of the GDP (a summation of the goods and services produced in the country) this year. In 1994, investment stood at 16 percent of the GDP.

Summary of Central Bank President-Designate's Strategy

PY0606160995 Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Jun 95 Section 2 p 1

[Article by Carlos Alberto Sardenberg]

[FBIS Translated Text] Central Bank [BC] President-designate Gustavo Loyola has a strategy for reducing the cost of credit: keeping interest rates high and reducing compulsory deposits.

This is one of the opinions expressed by Loyola, which have been made available to FOLHA. The opinions were expressed a few days ago in consulting reports and papers issued by MCM Consultants, a firm in which Loyola is a partner together with former Finance Minister Mailson da Nobrega.

FOLHA also learned that on 2 May, Finance Minister Pedro Malan himself invited Loyola to assume the post of Central Bank president. Loyola accepted the invitation on 6 May.

On 8 June, Loyola will be examined by the Senate, which will also vote on his designation to the Central Bank. The designation is expected to be approved by a broad majority.

Herewith a summary of Loyola's opinions:

Interest Rates

The decision to increase them was made at the right time. In a stabilization program, the economy must remain decelerated. As of now, the expected annual growth rate for 1995 is 4 to 5 percent.

Relaxation

The BC decision to begin relaxing the credit policy has been opportune. Yet relaxation should be gradual. Restrictions cannot be suddenly lifted.

The best relaxation method is to reduce interest rates at a slower speed and to reduce compulsory deposits (deposits that banks have to make at the BC, and that reduce the amount of money available for financial operations) at a higher speed.

It is compulsory deposits that make the interest rates paid by borrowers go up. The cost of credit can therefore be reduced by reducing compulsory deposits, while keeping interest paid on savings deposits high, a measure that is necessary for promoting savings.

Exchange Rate

There are no reasons for modifications.

Banespa [Sao Paulo State Bank]

The ideal would be to privatize not only Banespa but all state banks. Yet it is clear that no progress can be made without negotiating with governors.

Negotiations over Banespa, which are in quite an advanced stage, will not be delayed.

Real Plan

It is the best stabilization experience since 1986. It has good chances to succeed, but it will necessarily move forward gradually.

The plan depends on structural reforms (tax, social security, and fiscal reform, and privatization), which are implemented slowly because of political circumstances.

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An annual inflation rate of approximately 25 percent should be considered a good result. In 1996, an 18-percent inflation rate would also be good.

Inflation

The following is the basic principle: The inflation rate is the country's great evil, because it concentrates income, harming the poorer sectors and discouraging investment.

The elimination of the inflation rate is the first priority. The stabilization plan cannot be abandoned to promote economic growth before the right time.

Victims

All stabilization plans have victims, like backward sectors and indebted people or enterprises, for example.

Future

In order to succeed, the plan must move toward de-indexation.

It can be gradual, for example, in the case of salaries and the elimination of the Ufir [Reference Fiscal Unit]. Yet it is necessary to reach free salary negotiations.

Chamber Approves Easing of Telecommunications Monopoly

PY0706013395 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 6 Jun 95

[Report by Flavio Figueiredo]

[FBIS Translated Text] Late this afternoon the Chamber of Deputies approved, in a second round of voting, the constitutional amendment that eases the telecommunications monopoly. The amendment was approved with 357 votes in favor and 136 against. According to the government leader in the Chamber of Deputies, Deputy Luiz Carlos Santos, the result of the voting was but a confirmation of what had already been expected.

[Begin Santos recording, in progress] ...it is the confirmation of an already expected result. It is the result of other votes. The country has been moving forward. The government has proposed the reform of the Constitution, and the modernization of the country, as it promised during the electoral campaign. This promise was supported by the people through the vote, when they elected the current administration in the first round.

We had a fantastic quorum, as 498 deputies, almost 500, attended the session. This is a record figure. The Brazilian people have therefore all the reason to believe in the government and in Congress. The country has been changing and will continue to change. [end recording]

Now that the amendment has been approved in the second round of voting at the Chamber of Deputies, it will be presented to the federal Senate, where it will be voted on in two more sessions.

Businessmen Polled on Reforms, Policy

95SM0353B Sao Paulo GAZETA MERCANTIL in Portuguese 24 May 95 p A6

[Article by Sao Paulo correspondent Fernando Abrucio: "Businessmen Waiting for Reform"]

[FBIS Translated Text] Businessmen are waiting for passage of the constitutional reforms, especially in the taxation area, before making new investments.

This is what the poll indicates that was taken this month by Trevisan Auditors, which queried 183 businessmen and executives of large and medium-sized Brazilian and multinational firms.

The figures from the Trevisan study show that 82 percent of businessman consulted believe reforms in the Constitution are "the Real Plan's only chance for success." To survey coordinator Sergio Amad Costa, the figure shows "the awareness among businessmen of the importance of the constitutional reforms for economic stability."

But success of the constitutional reforms is not only vital to economic stability. To most of the businessmen contacted (60 percent), making new investments depends on constitutional reform. Another significant, but minority, portion (22 percent) believes that a resumption of investments depends, basically, on reductions in interest rates.

Priority: Tax Reform

"The great majority of the business community knows that the productive restructuring of this country requires constitutional reform," Sergio Amad Costa said. He emphasizes, also, that among the constitutional reforms now in vogue, the most important in the eyes of business is tax reform. "Almost all those consulted (90 percent) believe tax reform to be the essence of the fiscal reform. Furthermore, when asked about factors that would encourage new investment, 12 percent of businessmen put tax reform ahead of constitutional reform."

In the opinion of Sergio Costa, there is a consensus among the Brazilian public about the importance of tax reform. "Businessmen are not the only ones who think that way; labor unions have also spoken in favor of changing the tax system."

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A "Privatizing" Sentiment

The Trevisan poll detected a strong "privatizing" sentiment among the businessmen it consulted. The absolute majority of respondents (72 percent) believe that telephone, electric power, and petroleum companies need to be privatized. "Privatizing those services is the way for the Brazilian public to receive cheaper and better essential services," said Costa, adding: "In the past six years, the Federal Government has spent $25.8 billion of its budget on the state enterprises, but received only $1.1 billion in dividends. Figure it out: Brazilian citizens, who are the true owners of the state enterprises, would have to wait 140 years to get back the capital they invested."

Firms are extremely worried about the current "vicious circle of defaults," Trevisan Auditors found. The effects of delays in payments of accounts receivable have already impacted 85 percent of the businessmen interviewed. This concern, however, does not keep 40 percent of the business community consulted from believing in the effectiveness of recent measures to curb consumption as the only way to prevent the return of inflation.

Confidence in the government's economic policy is also revealed in businessmen's estimates of monthly inflation rates for the second half of 1995. To 75 percent of them, inflation will range between 2 and 3 percent a month, which is close to the figures projected by the administration.

Import Duties

The biggest source of business disagreement with current economic policy refers to the higher import tariffs imposed on various products in recent months. Some 30 percent of respondents felt these steps were inadequate, while another 35 percent believe the government should have done something different. "In order to defend an exchange policy it believes is correct," Sergio Costa said, "the economic team risked a loss of credibility in the opening of our market. Not only that, it sowed suspicion in the minds of foreign investors, who are looking at Brazil as a good country in which to do business."

Congressmen Evaluate Leading Newspapers

95SM0353C Sao Paulo GAZETA MERCANTIL in Portuguese 22 May 95 p A10

[Article by Brasilia correspondent Eliane Cantanhede: "The Most Trustworthy and Least Arrogant Newspaper"]

[FBIS Translated Text] A survey done among members of Congress by the Brazilian Institute of Political Studies (IBEP) found that most deputies and senators (75 percent) consider GAZETA MERCANTIL to be the least arrogant of the five national newspapers and "the only one that does not manipulate public opinion." Besides GAZETA, the survey included O ESTADO DE SAO PAULO, FOLHA DE SAO PAULO, JORNAL DO BRASIL, AND O GLOBO.

Questionnaires were used between 15 February and 14 March 1995 to query 20 percent of the deputies and 31 percent of the senators. The results were compiled in a report entitled "Congress' Opinion on Fundamental Questions." In addition to media organs (TV stations and magazines were also included), the poll also asked respondents about the role of the state in national life, the tax system, the Central Bank, foreign investment, and the elite of the Congress.

The poll was mentioned by Piaui Deputy Paes Landim (PFL) [Liberal Front Party] in a speech he made on the floor of the Chamber, during which he paid tribute to this newspaper on the occasion of its 75th anniversary.

According to Walder de Goes, director-president of IBEP, the sample was "accurately representative of party delegations and of all five regions of the country." There was a clear purpose behind the inclusion of a specific set of questions about newspapers, TV stations, and magazines. "The media is always judging Congress, but Congress never gets to judge the media," he explained.

That is why one of the questions was fairly abstract. It asked about media "arrogance." On this point, TV Globo was considered the most arrogant (69.3 percent) followed by VEJA magazine (65.4 percent). The least arrogant were GAZETA MERCANTIL and TV Bandeirantes (13.5 percent each). Also mentioned in the questionnaire were TV Manchete, SBT-TV, and the magazine ISTOE.

Walder de Goes, who is also a professor of political science at the University of Brasilia, said there is a good reason for this question on arrogance: "Editorials, for example, often say that 'Brazilian society' wants this, or thinks that way. But on what basis can those editorial writers take it upon themselves to identify and convey that sentiment?" he asked, with the authority of someone who spent at least eight of his 20-year career in journalism as editorial writer for JORNAL DO BRASIL.

The favorable responses about GAZETA MERCANTIL come as no surprise. "Nothing is more natural. GAZETA practices journalism with plenty of content, with no attention-getting appeals, no common and facile devices to guide the ideology of street sales," he argues. That is why, for example, the newspaper was named,

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along with TV Bandeirantes, as "most trustworthy" by 75 percent of respondents. FOLHA DE SAO PAULO stands at 73.1 percent and JORNAL DO BRASIL at 69.2 percent. O ESTADO DE SAO PAULO got 65.4 percent and O GLOBO 57.7 percent.

On the question about manipulation of public opinion, only 21.1 percent thought GAZETA MERCANTIL could be accused of this, and it was the only media vehicle to receive less than a 50-percent score on that item. In the case of TV Globo, the rating jumped to 96.2 percent; for VEJA it rose to 75 percent, and for FOLHA DE SAO PAULO, to 71.2 percent. Except for GAZETA MERCANTIL, those deemed least manipulative, in the opinion of legislators consulted, are JORNAL DO BRASIL and TV Manchete, each with a still-high rating of 53.8 percent.

Most often mentioned under the "conservative" heading was O ESTADO DE SAO PAULO, at 82.7 percent, followed by TV Globo (76.9 percent) and the newspaper O GLOBO (75 percent).

Ranking first as "public-spirited" was TV Bandeirantes (71.2 percent), followed by a three-way tie for second place (65.4 percent) among GAZETA MERCANTIL, FOLHA DE SAO PAULO, and JORNAL DO BRASIL. There was an inversion on the last survey item, "standard of quality": TV Globo ranked first (88.5 percent), followed by VEJA (69.2 percent) and O ESTADO DE SAO PAULO (67.3 percent).

According to Walder de Goes, the study "could be useful to orient the editorial line and strategic plans of the media, because legislators, by virtue of their positions, can be considered very well informed and more perceptive about what is being transmitted."

In the opinion of Roberto Magalhaes (PFL-Pernambuco), chairman of the Chamber's Committee on the Constitution and Justice, both sides can learn from this evaluation-in-reverse—the legislators grading the media. He said the very good marks given GAZETA MERCANTIL "are fair" and explained why: "It is an impartial, sober newspaper that gives even-handed treatment even to political news items that some others treat with passion. This sobriety is excellent," he stated.

Chile

Brunner Rebuts Pinochet's Criticism of Clinton Letter

PY0706020695 Santiago EL MERCURIO in Spanish 6 Jun 95 p C4

[FBIS Translated Text] Minister Secretary General of Government Jose Joaquin Brunner said yesterday that the executive branch handles domestic affairs without any intervention from foreign countries. Brunner explained that interference by foreign countries in domestic affairs is completely inappropriate.

Brunner referred yesterday to the letter that U.S. President Bill Clinton sent to Chilean President Eduardo Frei, submitted on 3 June through U.S. Ambassador to Chile Gabriel Guerra-Mondragon.

U.S. Congressman Jim Kolbe informed the press that in his letter, U.S. President Clinton congratulates President Frei for the manner in which the Chilean judicial system handled and resolved the Letelier case. Clinton also congratulates Frei for his leadership during the difficult times that Chile has experienced.

Army Commander Captain General Augusto Pinochet Ugarte had criticized this letter in stating that Chile is not a U.S. colony.

Yesterday, the government informed that the contents of the letter, which is personal, will not be made public. It added that it was handed to the president by Ambassador Guerra-Mondragon, and that therefore no one has had access to it.

Asked specifically about the nature of Clinton's letter and the comments it has spurred, Brunner said that the only thing that must be said is that Chile is an independent country.

Brunner said: "Chile handles its domestic affairs completely oblivious of the opinions that may come from abroad. It resolves its affairs in compliance with Chilean law. This is how this case in particular and all other cases are handled."

Brunner said that Clinton's letter should not be given greater importance than it deserves, and that in particular there should not be any speculation over its content.

Brunner said that President Frei is the only one who can comment authoritatively on the letter, and that all other opinions are irrelevant.

He said: "What is relevant are the decisions that Chilean authorities adopt on the basis of national legislation... any other opinions issued by foreign authorities have no direct bearing on the trial cases being conducted in Chile."

Brunner sustained that these compliments, which were also extended to all institutions, were paid because of the position upheld regarding the Letelier case and the social peace that prevailed as a result of it, which helps in making advances in the national reconciliation process.

He said: "Neither the government, nor the courts, nor the Armed Forces, nor the political parties should take

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credit for this, because all have done what was strictly necessary: fulfill their institutional role."

Jose Joaquin Brunner was categorical in noting that no one can contend that Clinton's letter is tantamount to interference in domestic affairs, as no one knows its contents. Even if that was the case, he said, "there is no possibility of interference in domestic affairs because decisions are not adopted on the basis of letters or opinions from abroad."

Brunner added: "The courts adopt decisions on the basis of the legal grounds of each case, while the administration adopts its decisions on the basis of the studies it conducts and the independence that characterizes the Chilean Government."

Army High Command Discusses Reopening of Human Rights Trials

PY0706024195 Santiago EL MERCURIO in Spanish 2 Jun 95 pp A1, A15

[FBIS Translated Excerpt] The Army High Command, headed by Army Commander General Augusto Pinochet, yesterday held a meeting with Defense Minister Edmundo Perez Yoma. During the meeting they discussed the impact of the guilty ruling against General Manuel Contreras, retired, and Brigadier Pedro Espinoza. [passage omitted]

It has yet to be decided how the court will notify Contreras and Espinoza about their respective sentences; whether through rogatory letters or in person.

It is still a mystery what will happen after Contreras is notified, in view of the fact that the former DINA [National Intelligence Directorate] chief said that he would not go to jail.

Contreras' words caused reaction in the Army. According to Defense Minister Perez Yoma, there is no reason to involve the Army in the Letelier case.

The High Command believes that it is not a question of whether or not the Army will obey the ruling, because despite the ties that may exist with Contreras and Brig. Espinoza, it is up to them to decide whether to obey the ruling. According to Army regulations, Espinoza must go into retirement within 30 days.

This is reportedly one of the issues that Defense Minister Perez Yoma discussed during the meeting held with the 30 generals who make up the Santiago Military Garrison.

The objective of this meeting, which was held at the Lo Curro Military Club, was to assess the consequences of the ruling, issued by the Fourth Chamber of the Supreme Court, that confirms the first instance ruling issued by Judge Adolfo Banados against Contreras and Espinoza.

The same generals, headed by Army Deputy Commander Guillermo Garin, held a first meeting at 1300 at the Army deputy commander's office, located on the 6th floor of the Armed Forces Building. After an hour they left the building through different exits and went to the Lo Curro Military Club, where Defense Minister Perez Yoma, who had summoned the meeting, and Army Commander Augusto Pinochet were awaiting them.

During this second meeting, which lasted until 1900, the generals reportedly insisted on their position that it is not up to the Army to obey the ruling. They also reportedly expressed their concern over the atmosphere that the Supreme Court ruling has generated.

Well-informed sources have explained that the military fears that more human rights cases, like the Carmelo Soria homicide case, will be reopened.

The possible reopening of other human rights cases has spurred a political debate in view of statements — like the one made by former Justice Minister Monica Madariaga — in favor of the issuance of an amnesty law, which might generate numerous trials.

Nevertheless, senators from all political groups yesterday said that an amnesty bill would be unviable, and would run the same fate as that of the so-called "Aylwin Law." The CPPD [Coalition of Parties for Democracy] administration submitted this bill with the objective of expediting human rights violations trials.

The Army is also concerned over the statement that Contreras made after the ruling. In it he infers that he might resist his eventual detention.

According to Air Force Commander Ramon Vega, the Air Force believes that the issue has been resolved.

Vega said that all the personal opinions that are issued at this time are understandable, but that the Supreme Court ruling is the only valid decision. [passage omitted]

Pinochet Reacts to Contreras Court Ruling

PY0606170895 Santiago EL MERCURIO in Spanish 5 Jun 95 pp A1, A12

[FBIS Translated Text] Army Commander General Augusto Pinochet Ugarte said yesterday that the problem facing retired General Manuel Contreras, former director of the Dina [National Intelligence Directorate], is a problem between Contreras and the courts, and that the problem must be resolved in accordance with the law.

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Pinochet made this comment during an interview with the Teletrece newscast of Universidad Catolica Television Internacional [UCTV] at the headquarters of the 1st Corps in Iquique. Pinochet then left for Arica where he arrived yesterday afternoon to attend the 115th anniversary of the Morro de Arica battle on 6 June.

In the interview, Gen. Pinochet rejected President Bill Clinton's letter to President Eduardo Frei praising the court decision on the Letelier case.

Gen. Pinochet said he always believed retired Gen. Manuel Contreras and that he was affected by the court ruling, adding that this is a "personal problem involving sentiment."

Pinochet said he could not say if Contreras would resist his cou y house arrest at "The Old Oak" in Fresia because this is a matter concerning him and not the Army or its commander.

Gen. Pinochet's comments come five days after the Fourth Chamber of the Supreme Court ratified the sentence by Justice Adolfo Banados who in the first instance sentenced Manuel Contreras to seven years imprisonment and Brigadier Pedro Espinoza to six.

The Fourth Chamber of the Supreme Court will meet at 1730 this afternoon to study the request for correction or amendment submitted by the defense of Manuel Contreras and Pedro Espinoza in face of the court ruling that ratified the sentences of seven and six years, respectively.

The Fourth Chamber will also have to decide on the defense request for the recognition of time already served in prison and then return the documents to Judge Adolfo Banados. After this, Judge Banados can order the enforcement of the sentence.

The request for correction or amendment does not affect the essence of the ruling; the defense is seeking is the recognition of the time Contreras and Espinoza were in prison during the extradition process — from August 1978 to October 1979 — during which Contreras was held 14 months and Espinoza 15 months.

Not that the trial for the murder of Orlando Letelier is dependent on the decision of the Fourth Chamber, Santiago Archbishop Monsignor Carlos Oviedo Cavada said yesterday that "a spirit of forgiveness and understanding" should prevail in Chile. Valparaiso Bishop Monsignor Jorge Medina believes one way to cooperate toward a reconciliation could be an amnesty law. The two bishops, as well as other bishops around the country, commented yesterday on the human rights issue which again became a public after the court ruling on the Letelier case and the decision of the Second Chamber of the Supreme Court to reopen the Soria case.

A political debate is taking place about the amnesty issue. The center-right believes the enforcement of the amnesty the way it was conceived in 1978 is a good solution because it would avoid tension. The government has said it will not submit any initiatives.

The interview with Gen. Pinochet on the Contreras case was held at the command office of the 1st Corps in Iquique. Pinochet was in civilian clothes.

At the beginning of the interview Gen. Pinochet said he travelled north "only to see the infantry unit and to talk with my people, to see how the work is going, and to do my job."

[Unidentified reporter] What about the court ruling and the morale of your men? Do you believe the Army has been hurt?

[Pinochet] First, one must understand the problem. Soldiers are different from civilians. Soldiers always look forward, especially in an institution so big it covers from Arica to Punta Arenas. It is a group of men who think based on tradition, looking toward the future. Here we do not look backward. Had we looked backward, we could have made a great historic trial in 1973; but we turned the page and continued.

The events that occurred were not started by us. They happened exclusively because the war continued while a slander campaign was disseminated around the world. Here, the fighting continued. We were not involved in that process.

[Reporter] Can other trials against military men be prevented? Are talks being held with the government?

[Pinochet] I cannot tell you.

[Reporter] Is some formula being discussed with the minister?

[Pinochet] I don't know. How can I talk about a formula with a minister if I am not the one who created it (the problem).

[Reporter] Did you propose an amnesty law?

[Pinochet] I don't know, I don't know. This is a civilian problem, a government problem, and also a problem for the people who are struggling and looking back to create problems. Not us. We look forward, we want the country to continue to grow, not to be the last in the list of countries they way we used to be. We are now doing well. We worked all these years to develop the country as an example for the Americas.

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[Reporter] Do you believe this trial was political?

[Pinochet] What trial?

[Reporter] The trial of Gen. Contreras and Brigadier Espinoza.

[Pinochet] I cannot tell you anything because I believe judges speak on behalf of justice.

[Reporter] Did you believe justice would sentence an intelligence chief?

[Pinochet] No. One always believes that justice, very much in accordance with the law, will be done.

[Reporter] Is the ruling absolutely in accordance with the law?

[Pinochet] I am not a lawyer. I understand that under the Constitution everyone has the right to defense in three instances. I don't know if that will be implemented or not.

[Reporter] What do you think of the U.S. letter congratulating President Frei?

[Pinochet] Do you want me to tell you something? I never accepted the Americans who came here. That is why so many things were done to me.

I don't accept their interference in a country. My country is not a colony, it is independent. We became independent in 1810. We stayed independent. We struggled for our independence and we are now being made into a colony. Who are they to congratulate anyone over an internal matter. I reject Clinton's congratulations.

[Reporter] Will the Army intervene in the sentence of Gen. Contreras?

[Pinochet] I tell you again: I don't know.

[Reporter] But you are the Army chief ...

[Pinochet] I don't know what will happen, whether he will be sentenced or whether he will not. If there is already a ruling, I cannot talk about it because I don't know.

[Reporter] But the ruling cannot be appealed.

[Pinochet] Fine.

[Reporter] Apparently this case is closed.

[Pinochet] I don't know. The only thing I am doing is greeting the troops and visiting the troops. That is my specific function.

[Reporter] As a general, do you believe a general should serve his sentence in a state prison?

[Pinochet] I already told you military men are different from civilians. We think differently, we talk differently.

[Reporter] Does this mean Gen. Contreras should go to another center to serve his sentence?

[Pinochet] That should be evaluated and reevaluated by the government.

[Reporter] Did General [Eugenio] Videla [Army 2d Division commander] ask Contreras to give himself up ...

[Pinochet] I don't remember.

[Reporter] I cannot believe you.

[Pinochet] I have a very good memory but I don't remember.

[Reporter] In an interview, your daughter Lucia said Gen. Contreras swore he was innocent. Do you believe him?

[Pinochet] I believe Contreras. I always believed Contreras. My daughter Lucia is over 21 years, therefore I don't get involved in her life. When my children turned 21 I left them free to act.

[Reporter] Why do you believe Gen. Contreras?

[Pinochet] This is my own sentimental problem, not Contreras' problem, not the Army's problem either. The Army is very large.

[Reporter] Gen. Contreras said he will not go to prison. It was even said he may hold an armed resistance.

[Pinochet] What can I tell whether he will resist or not. That is his personal problem. It is not mine, it is not the Army's problem either.

[Reporter] Will the Army obey the ruling?

[Pinochet] No. In ancient times, the King gave the order and then the servant would say "yes I obey ..." but we are not the servants of anybody.

[Reporter] This is why I ask, will the Army respect the ruling?

[Pinochet] I said so to the minister the other day and that is how it came out.

[Reporter] You are right, you said it.

[Pinochet] Yes, I was talking with him and he said that we will obey the ruling ... and that is how it will be.

[Reporter] And what do you say?

[Pinochet] Personally speaking, the law will be enforced.

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Presidential Secretary General Interviewed

PY0606171895 Santiago EL MERCURIO in Spanish 14 May 95 pp D2-D4

[Interview with Minister Secretary General of the Presidency Genaro Arriagada by EL MERCURIO journalist Raquel Correa at Government House in Santiago; date not given — passages in italics are Correa's comments]

[FBIS Translated Text] [Correa] One year ago you said that this administration was going through the breaking-in period. Is it over?

[Arriagada] We are moving full speed ahead.

[Correa] Do you acknowledge that it took longer than you expected?

[Arriagada] I believe that on the whole this administration's decision-making ability is remarkable. Those who call us sluggish are deeply mistaken.

[Correa] Many people have been asking for your head for months now. Do you believe it will roll?

He looks annoyed, keeps quiet for a minute, and then answers.

[Arriagada] The main trait of my job is that one has to work with a great many ministers every day. Not a day goes by without at least four or five ministers coming into my office, sometimes more. Nobody could do this job without the president's full support.

[Correa] What does the president have to say about all the criticism that you get?

[Arriagada] We do not discuss these things. *He goes on to state a concern of his, a concern that will reappear several times in the course of this interview, which lasted more than two hours, held in his office lit by chandeliers, its floors covered with Persian rugs.*

I believe that unfortunately Chilean politics is a world full of whispers and sourceless rumors. The truth is that I belive in higher-quality politics. I do not let this sort of thing worry me.

[Correa] Who is to blame for these rumors: The people of this administration who start them going, or the journalists who disseminate them? Who is responsible?

[Arriagada] I do not believe that it is a media problem. I do believe that there is a contradiction: Highly respectable politicians engage in serious debate to resolve key issues and at the same time they allow themselves to be drawn into lesser discussions. We have spent weeks on the subject of informers, on groundless charges and rumors.... I believe that it is very wrong. This is a great country that has great politicians, but unfortunately we still pay attention to rumors....

[Correa] Who is mainly responsible for this?

[Arriagada] This unfortunate lesser debate is a kind of "joint venture" [preceding two words in English] by a certain political class and certain media. The quality of Chilean political debate is very low. If one makes strong statements, one is bound to get a lot of media coverage. This puts one in the limelight, but does not make one influential. Political debate in Chile is not of the caliber required or demanded by the country's key issues.

[Correa] Personally speaking, does criticism worry you?

[Arriagada] I do not think it is relevant. My mother worries a bit, as does my wife and my daughters. Criticism, however, is a calculated risk in a job like this.

[Correa] If your friend President Eduardo Frei were to ask you for your resignation, how would he do it? Would he take you for a ride, like he did with German Correa [former interior minister], and then send you home?

[Arriagada] I beg your pardon, but I do not believe this is either important or relevant. *No matter how insistent we are on the subject, he keeps on saying "What is the point of this?"*

[Correa] Has President Frei given you any surprises?

[Arriagada] No surprises. I have always trusted his integrity, his intelligence, his loyalty to certain principles that the citizenry values very highly. The Frei I see here is the same person I have always known.

[Correa] That is strange, because a common citizen can hardly be the same when he becomes president of the nation....

[Arriagada] That is one of the president's virtues: He has not changed his ways. He is not dazed by heights.

[Correa] How about yourself?

[Arriagada] Neither am I.

[Correa] You have been working out agreements for years. Is it more difficult to do it from this ministry?

[Arriagada] Coordination is one of the main duties of this ministry. We coordinate many policies of this administration. This ministry is not directly in touch with the community: The job of the office of the secretary general of the presidency is basically to advise and coordinate. It works with the other ministries, and even more closely with the president of the nation. It is part of the Political Inter-Ministerial Council.

[Correa] Is Frei receptive to suggestions from his advisers?

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[Arriagada] He is a great team player. His main advisers are his ministers. In some cases, groups of minister prepare concrete proposals to deal with specific issues. He makes the decisions.

[Correa] Have you ever been in the position of knowing what was the right thing to do and not being able to convince him?

[Arriagada] In a presidential government the president always has the final say. Any minister knows that to be one of the rules of the game, so unless it is something essential....

[Correa] Wasn't that what happened with the decree establishing a military prison, and the president went along with Public Works Minister Ricardo Lagos, who was against it?

Arriagada's eyes turn ice-cold.

[Arriagada] That issue has been satisfactorily overcome in agreement with all the parties of the ruling coalition. Even the opposition agreed.

[Correa] Because of this, the administration was criticized for lack of leadership.

[Arriagada] I believe that the president did the right thing.

[Correa] Does this mean that next time a minister refuses to sign a presidential decree he runs no risks?

He keeps quiet for a while, and then says:

[Arriagada] What is the point of looking so far back? It was a disagreement over a minor issue, and it was resolved.

[Correa] This kind of incident, even though you label it as minor, has led people to believe that there is lack of leadership.

[Arriagada] Once again this is a case of people worrying about anecdotal and superficial things but not giving important and decisive issues their due. Just recently the president resolved issues that are crucial for the country's development, such as gas supply and waste disposal. He is at the head of an administration that has remarkable accomplishments to its credit. Chile's current economic situation is the best the country has enjoyed in the past 60 years.

[Correa] Not according to the farmers, the textile industry, the....

[Arriagada] The figures, however, confirm it beyond any doubt. This year's growth rate will be six percent. The rate of investments and savings is the highest ever. We have an unprecedented trade surplus.

[Correa] That is all macroeconomics.

[Arriagada] Both macroeconomics and microeconomics.

[Correa] Why is it, then, that the people do not feel that the sense of well-being has reached the poorest strata?

[Arriagada] Surveys conducted by private companies, not by the administration, show that 60 percent of the people are satisfied with the jobs they have, 60 percent of the people in the lower strata believe that the situation has improved and they are not thinking about moving their children from the schools they are in. At several levels, people perceive that there is sustained improvement.

[Correa] More people than before, however, believe that economic progress has benefited those who have more rather than those who have less.

[Arriagada] Spending on social health has gone up 83 percent between 1990 and 1995. Spending on education went up 65 percent in the same period. In the case of work-related training, spending increased by 270 percent. Under this administration, 71 percent of all spending is on social matters.

[Correa] Then why don't the people perceive this?

[Arriagada] People's perceptions change gradually over time. In order to make an analysis, one would have to take into account certain concrete policies whose results can be measured by objective figures: Investment in schools, libraries, school breakfasts.... No one can expect miracles. There are no economic or social miracles.

[Correa] What about those who believe we were better off with Pinochet?

[Arriagada] Social spending increased by almost 50 percent overall between 1989 and 1995. This year, the figure for social spending will be $2.5 billion more than in 1989.

[Correa] The important thing is for this money to be invested wisely; otherwise, it is tantamount to throwing it away.

[Arriagada] Nobody harbors any doubts about the efforts that we are making to improve health and education, and to modernize the state in order to make it cost-effective.

[Correa] Christian Democratic Party [PDC] Vice President Jorge Pizarro does harbor some doubts, judging by what he said when he criticized the Mideplan [Planning and Coordination Ministry] and your own ministry....

[Arriagada] He had denied it, so naturally I accept his denial.

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[Correa] How would you describe the criticisms over lack of leadership, of clear objectives?

[Arriagada] I believe these criticisms are groundless. This administration has an exceptionally coherent agenda.

[Correa] It has changed this agenda, however.

[Arriagada] No, it has not. We are working in accordance with the guidelines the president announced on 21 May 1994. We have not changed our navigation charts or our course. This administration has been exceptionally coherent. This year's legislative agenda reflects our priorities.

[Correa] Won't he change course on 21 May [date of the president's state of the nation address]?

[Arriagada] The president feels that he has already defined his government policy. If an administration wants to succeed, the worst it can do is change course and send out contradictory signals.

[Correa] The opposition is not the only source of criticisms; even members of the ruling coalition are criticizing the administration. Andres Zaldivar, Christian Democratic Party senator and former president of this party, said that the cabinet was good but it still lost like Universidad Catolica [a major soccer team].

Arriagada does not answer.

Jorge Schaulson, president of the PPD [Party for Democracy], said that there is lack of political coordination and presidential leadership. Your predecessor, Edgardo Boeninger, said that "Chile's decision-making process is very poor."

That is when he reacts.

[Arriagada] Boeninger never criticized this administration.

[Correa] Do you believe he was talking about the way Chileans make their decisions at home?

[Arriagada] Boeninger never criticized this administration. This administration has displayed a lot of initiative concerning key issues and can boast of many achievements. I believe that it is terribly unfair to talk about lack of leadership and inability to make decisions.

[Correa] Could it be that this country does not understand the "Frei style"?

[Arriagada] Each president has his own style. This president is more than willing to engage in dialogue and to hear out whatever the political parties have to say. This does not mean that the president is willing to accept a sort of cogovernment. I do not believe there has ever been a president who spent as much time as this one working with political parties. The president sets a clear-cut agenda for himself and he follows it in his process of decision-making. This agenda is based on his government program.

He adds heatedly: This administration, which has been so thoughtlessly accused of lack of initiative and leadership, has provided extraordinary answers to legal issues. Last year it managed to set an unprecedented record building homes. Congress is about to approve two bills that will expedite the participation of corporate investors in the concessions for public works and infrastructural projects. As far as honesty and public integrity are concerned, this administration has proposed a constitutional reform and a bill unprecedented in Chile's history. This bill will help keep the people informed of what the administration is doing. There are infrastructural projects, labor reforms, and broadening of the oversight powers of the Labor Directorate, and there is the bill that expedites the enforcement of labor laws. There is the labor reform. Wherever I look, I see an administration full of initiative. The rules and regulations for decontamination plans were scheduled to be approved this week. The president has asked that the resolution establishing an environmental impact evaluation system be issued during the first half of June. There are many initiatives.

[Correa] What would you say to those who claim that Frei has a businessman's managerial style?

[Arriagada] If we go through a lot of consultations, we are accused of paving the road for a cogovernment. If we ask no one, then we are told that ours is a businessman's approach. Both allegations are false. This administration draws up the projects, but President Frei's style of leadership is democratic, which means that it is polite and respectful. He is the kind of leader who is not afraid of hearing out the parties involved. A democratic leadership can be neither despotic nor authoritarian.

[Correa] Could that be what some people are yearning for?

[Arriagada] If that is the case, it means that some people are longing for something bad. A democratic leadership is the right thing to have. That is what President Frei exercises.

[Correa] Could it be that he is trying to make everybody happy and pleasing neither God nor the devil? The workers believe the labor reforms are not good enough, while the businessmen claim that these reforms are a serious threat to the country's development.

[Arriagada] In every society there are respectable, but biased, interests at play. The state must ensure common well-being. I understand the teachers' demands, but the administration is not here to base its policies on the

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teachers' demands, even though it has already given them huge benefits. Neither are we here to do what the businessmen want or what the CUT [United Workers Confederation] wants. We have found a middle-of-the-road approach, both modern and fair, which can further the country's development.

[Correa] This administration in general and the PDC in particular are blamed for the failure of the dialogue with the opposition.

[Arriagada] Dialogue is a great tool for democratic politics. I did, however, submit a report to the administration stating that this particular negotiation to which several parties were invited, implied three risks that the administration had to avoid. One of them was giving the impression that this was a new type of cogovernment which included not only the parties of the ruling coalition, but the opposition parties as well. That could not be allowed. The second risk was creating the false impression that the administration was bogged down and needed the opposition to extricate itself. The third risk, which I did not like at all, was that this particular dialogue would create a new, independent level for political negotiations, to the detriment of Congress.

[Correa] Frei went along with this idea....

[Arriagada] He sent a letter to all the parties outlining the administration's agenda, offering cooperation, and thanking them for the initiative.

[Correa] The administration was never willing to engage in this particular negotiation?

[Arriagada] The administration never offered to sit down and negotiate. We saw the risks from the very beginning, and this administration was not willing to accept any of them.

[Correa] Then the initiative failed because the administration....

[Arriagada] No. It was not up to the administration, because this negotiation was not its initiative.

[Correa] Are relations between the administration and the political parties the most difficult part of your job?

[Arriagada] The three Government House ministers share this job, and we get a lot of help from the other ministers. Politics tends to be more complex nowadays because the political parties are trying to present a strong profile. The leaders of the political parties have less control than before over the members of their blocs in Congress, and they cannot discipline social organizations like they did in the 1960's and the 1970's. Despite its complexity, this is not a very difficult task, and it is up to the interior minister to set its course.

[Correa] In your opinion, why have the Socialists lost interest in the second administration of the Coalition of Parties for Democracy [CPPD]?

[Arriagada] There is a widespread loss of interest in politics. It is a worldwide phenomenon.... Life should not revolve around politics, like it did from 1971 through 1973, and later, when the opposition to the military regime surfaced. Yet great feats are accomplished in times of crisis. Although I prefer things to be normal, I do not believe that this political apathy is either healthy or good for the country.

[Correa] One of the binding forces during the Aylwin administration was the fear for a return to the past. Would you be willing to stake your life that this threat no longer applies?

[Arriagada] I would stake my life that it does not. I see no possibility whatsoever for the reinstatement of authoritarian rule in this country. Worse still, any attempt in this direction would be a crime against Chile and its development, and there is no justification for it.

[Correa] Are you worried about the Army's reaction if Contreras is sent to jail?

[Arriagada] It is a court case and should be viewed as such.

[Correa] What do you think about the reactions of CPPD politicians, which have been seen as attempts to pressure the courts?

[Arriagada] I believe that any demand that justice be done deserves respect because justice is an inherent principle. I do not agree, and I never have agreed, that an institution as a whole be condemned because of an incident. Each individual is fully responsible for the crimes he perpetrates. I expect this to be a trial for an abominable crime, and I expect a sentence.

[Correa] Was it an isolated crime, Minister?

[Arriagada] Nobody in Chile is unaware that there are documents proving what truly happened regarding human rights. Nations should forgive, but not forget.

[Correa] Do you believe that Chilean generals should follow the example of the Argentine Army commander [who publicly admitted involvement in human rights violations]?

Arriagada laughs.

[Arriagada] Please do not involve me in [Defense Minister] Perez Yoma's affairs. Don't you see that it would break the chain of command?

[Correa] What do you want?

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[Arriagada] I want to see justice done.

[Correa] What is the meaning of the disagreements over specific issues between the parties of the CPPD and the administration?

[Arriagada] Are you talking about recent issues?

[Correa] Yes — sanitary projects, gas, municipal reform.

[Arriagada] As far as gas is concerned, the administration has briefed the political parties and its decision has been unanimously approved. We finally resolved a long-standing problem and gave the country an excellent chance to develop.

As to sanitary projects, we have drawn up a policy. We have reached agreements with the parties on five or six items of this policy. The president has kept for himself the making of a decision on only one item: the degree of participation that private companies will have in these projects. We have reached complete agreement on regulations, development, and the scope of rural water supply and sewage systems, and on the approach we should take to deal with treatment of sewage.

[Correa] The Socialists, however, oppose the privatization proposal of the executive branch (65 percent). If many PDC lawmakers oppose it as well...

[Arriagada] The bill is in Congress, and I do not doubt that we will reach an agreement.

[Correa] What would happen if the regulations for these projects were approved, with the support of the right, and the privatization percentage were rejected by CPPD parties?

[Arriagada] I believe both proposals will be approved. I do not doubt that the bill will be approved. *He would not be budged from this position.*

[Correa] With the help of the Socialists?

[Arriagada] So far, a significant number of deputies have said they are against it. I expect, however, that because there are many components in a general policy, we will reach some kind of agreement.

[Correa] What if you do not?

[Arriagada] If we do not... The administration's job is to deal with national problems. That is what it is doing.

[Correa] What would it mean politically if this bill were approved, thanks to the opposition, despite the Socialists' rejection?

[Arriagada] That would be a mistake. We must realize, however, that certain economic aspects arouse tensions within our parties. This does not mean that the administration is prepared to give up just because the tensions are there. We are also moved by our conviction that we are right, which means that our people will be supportive. If we were to make a balance of the CPPD we would see that throughout this century Chile has not had a more long-lived or homogeneous coalition.

[Correa] How long will this last, according to you?

[Arriagada] Why should it change? We are the same people, our moral and political convictions have not changed. Pragmatically speaking, none of our parties has a feasible course of action outside the coalition. One of the lessons we have learned is that administrations need a majority coalition to back them up.

[Correa] Would you consider changing allies if necessary to allow the administration to fulfill its objectives?

[Arriagada] I do not believe any other alliance is possible in Chilean politics.

[Correa] Isn't is possible for you to fight with the Socialist Party and join forces with the RN, for example?

[Arriagada] I do not believe that such an alliance would be feasible for the PDC. These upheavals over disagreements about the privatization percentages of sanitary projects do not cancel out all that the CPPD parties have accomplished together.

[Correa] Does Minister Lagos agree with the 65 percent proposal?

[Arriagada] Of course. We have worked on this together in the Inter-Ministerial Committee. Minister Lagos shares the administration's position on this issue.

[Correa] The president of the UDI [Independent Democratic Union] has said that this was a "lesser privatization."

[Arriagada] I believe Jovino Novoa should be more careful when speaking about privatizations. Under the military regime they rubber-stamped hasty privatizations that plunged the country into economic catastrophes. Thus the champions of brutal privatization had to pick up the pieces of bankrupt banks and companies in 1981. I am happy to see that this administration handles privatizations prudently. It is important for the state to retain stock in corporations which have a lot to do with the people's standards of living, because it is the government's job to work for the common good.

[Correa] Why didn't the administration postpone sending the municipal reform bill to Congress until a full agreement was reached, as a group of PDC senators had suggested?

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[Arriagada] The administration can wait, but it cannot wait forever. I know that the interior minister worked hard for six months to reach an agreement on the elections for mayors.

[Correa] Don't you think it is absurd to discuss for six months whether mayors should be elected directly, whether they should come from the ticket that got more votes, or whether they have to get at least 40 percent of the votes to be elected?

[Arriagada] I would have preferred a faster agreement. We must realize, however, that it is not easy to reform an electoral system, because such reforms have an effect on the political power balance. That is the way things are everywhere in the world.

[Correa] The Socialists are also against the proposal of the executive branch.

[Arriagada] There have been contradictory statements, especially by Socialist Party senators who have advocated direct and separate elections for mayors.

[Correa] Do you expect a bill that some members of the coalition reject to be approved?

[Arriagada] If no agreement is reached, it is the administration's duty to submit a proposal in keeping with its commitments to the people and the interests of this country.

Colombia

Samper Introduces Anticorruption Law

PA0706021495 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2235 GMT 6 Jun 95

[Speech by Colombian President Ernesto Samper from the Narino Government Palace in Santa Fe de Bogota — live relay]

[FBIS Translated Text] Director of the Administrative Department of Security, DAS; honorable senators and representatives of the first commissions of the Senate and Chamber; distinguished representatives of the guilds; representatives of banking institutions; presidential secretaries and advisers; as well as ladies and gentlemen:

We have come here today to sanction the law that establishes a modern statute to fight corruption. This law is a valuable instrument to combat, as of today, the serious dilemma of corruption, which is severely harming Colombian society.

I will start by highlighting the valuable work done by the Congress of the Republic and its first commissions. This statute would not have been possible without their work. No person or party can claim its creation. The Anticorruption Law has been the result of a fortunate compendium of the initiatives presented by several political groups and diverse proposals from academic and social organizations. It is a law made by all to correct a problem that concerns us all.

Several very respectable public opinion circles have expressed their concern about a section in this law that would limit freedom of the press. This concern gives me the opportunity to reflect on the need to have the media participate in the moralizing task that has to be initiated. One of the fundamental elements of the statute, which we sanction today, stipulates precisely the way in which government will encourage citizen participation, which is indispensable in the struggle against this modern cancer in society called corruption.

How can we think of having the people's active and effective participation without the contribution of the media? How can we advance in this struggle without the decided help of the journalists in this battle?

The media has to continue its positive and healthy role of overseeing the work done by institutions. It should not falter in its charges. It should strengthen its investigation units. I am an unconditional defender of freedom of the press in Colombia. The freedom to inform and comment in the most difficult circumstances has been a characteristic of our democratic strength, and this has been recognized at an international level. I signed the Chapultepec Declaration, which includes the 10 commandments of the free press on the continent; my government is firmly committed to the advancement of those sacred measures.

The government will not jeopardize the most important legal and political instrument ever signed against corruption, but it respects the right any citizen has to file suit against the constitutionality of any of the norms included therein. Of course, as has been the rule of this administration, it will accept the ruling of the court.

In an open democracy, such as ours, the press must not be regulated, but it should self regulate itself. I continue to consider that this self regulation is indispensable, especially with regard to issues such as drug trafficking, public order, and terrorism. The formidable corruptive power of the money moved by organized crime in Colombia is no secret, and everyone knows how imperceptibly this evil money has been corrupting activities and institutions for many years. But, from this to accepting that this power has totally taken over our democracy and the economy, has hopelessly contaminated the entire society, and that our ultimate fate is to succumb to illegal money, that is a long trek.

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To counter this assertion, we have the memory of those who have given up their lives in this struggle.

The thousands of policemen, presidential candidates, journalists, and judges who wanted a better country for their children — a country they gave their lives for — the country in which all of us live and want to continue living. For this, we have the ethical obligation to reject the invasive flow of organized violence.

It is true, as some have said, we may have been too tolerant in the past in a reality that began penetrating us slowly but surely. But it is also true that we have great moral reserves to begin to defeat once and for all the calcifying phenomena of organized crime. We can and must brandish the weapon of values to defeat the violent, the corrupt, and criminals.

The anticorruption law that I have sanctioned today offers novel instruments to fight all these antisocial ways. Starting tomorrow, new public employees will have to present, in order to apply for a job, their curriculum and a declaration of their assets and income. If they falsify the information, they will be removed from their posts and jailed and will not be allowed to serve in public posts. The law does not simply consist of punishing bad individuals. Good public servants will have the first option of being promoted. They will receive the encouragement from [word indistinct] commissions and will, of course, deserve the applause of all of society.

The law drastically increases penalties for embezzlement, bribery, and breach of trust [prevaricato] in novel ways.

First instance: Any citizen who, having participated in a bribe, reports it within 15 days, will be exempted from the penalty. Any official who asks for and accepts a bribe must know that the bribing citizen, having repented of his behavior, as blameworthy as that of the official, can report the action so nothing can remain concealed.

Second example: If a person takes advantage of his access to confidential information released in state councils for his own profit and benefit, he will be penalized.

For the first time, the law establishes the crime of laundering assets, through which criminals have been legalizing money obtained from their criminal activities. Many people thought that it would be impossible to classify this type of crime under the present circumstances. Yet we did it. Any person who contributes to concealing, protecting, transforming, investing in, transferring, defending, transporting, managing, or acquiring goods that originate in illegal activities to make them appear legal or to legalize them openly will be put in prison for a period of between eight and 21 years.

The stiffest sentences will be passed on those who launder money obtained from kidnapping or extortion or those who launder money through fraudulent exchange, financial operations, or the import of smuggled goods. We will not permit large-scale smugglers, who are taking advantage of the illegal import of goods to disguise money obtained from criminal activities, and who continue to destroy the job opportunities of thousands of Colombian workers in sectors such as garment, footwear, leather, and tires, to mention just the least affected.

The classification and penalty carried by the laundering of assets will have important repercussions in Colombia's international commitment in the fight against drug trafficking. Consumer countries can regard themselves as notified of Colombia's determination to carry out to its last consequences the struggle against the various forms of drug trafficking, as I pledged in February when I announced the basis for the general and sovereign policy that Colombia will apply in its struggle against drug trafficking during the coming years.

The Colombian Government now expects and demands greater participation from the international community as a fulfillment of their own duty, the reduction of drug consumption, absolute prohibition of the sale of chemical precursors and, of course, the adoption of similar procedures in the fight against laundering illegal assets, procedures which we have approved this afternoon. Colombia also expects the hemispheric convention against the laundering of assets, which we proposed at the Miami Summit, to be signed soon. Approximately 80 percent of the money yielded by drug trafficking stays in drug consumption centers. Without the consumer countries' clear and determined commitment to combat the laundering of drug profits, all of Colombia's efforts in this field would be in vain. The laundering of assets is a typically international crime, which is perpetrated in several countries and therefore requires an international reaction. Now more than ever, Colombia has firm moral arguments to demand that the international community take on its own responsibility in this hard fight.

The government, however, can do nothing if the population fails to make an in-depth commitment against corruption. It would be of no use to stiffen penalties if no one reports criminal activities. The people keep buying the consciences of public officials or smuggled goods. The law contemplates the people's participation and obligates all state institutions to draft plans to fight

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corruption and link communities, as well as to open telephone lines for the people to report and watch closely.

The government, in fulfillment of the law we have signed, will form a national commission of seven members, a commission of citizens to fight corruption. They will be seven persons of irreproachable moral and professional status, veritable ethical magistrates, who will assume the huge challenge of fighting this cancer. Personally, as is established by the law, I will head this commission to orient and suggest its recommendations and decisions. Nubia Estela Martinez, a dynamic lawyer, will head the presidential program to fight corruption. As of today the presidential program will complement those programs that have been carried out very successfully by presidential adviser Jorge Valencia Jaramillo.

Before six months time, the government will draft, according to the law signed today, a complete package of measures to eliminate procedures and paperwork for certain state activities, which have become sources of corruption and threats for honest citizens. Corruption is disguised behind a useless seal, by a signature that is too long in coming, by a requisite that is unnecessary. Excessive bureaucracy is the best medium for corruption. All public contracts will have to be accounted for in a single law for contracts. Public opinion will be able to learn about and oversee contracts of national companies, their bidders, the values, and conditions that are involved.

With the signing of this law, we initiate the most ambitious anticorruption operation ever undertaken by any government. With the signing of this law, we declare an all-out war against corruption, which does so much harm to Colombia. It is an all-out war by the government, an all-out war by the administration of justice, an all-out war by the businessmen and private sector, an all-out war by the media, an all-out war by all Colombians, who are tired, and rightfully so, of so much corruption. We will not permit the corrupt to continue to hide in state offices in order to commit their crimes.

We will defeat the big contrabandists and money launderers, who have perverted values in the country and are eliminating the possibilities of millions of Colombians having jobs.

We are going to defeat, not only the big sources of corruption that are trying to take over the country, such as narcotrafficking, kidnapping, and contraband, but are also going to attack the public cells of corruption: that corruption that affects citizens in their daily activities with the state, that corruption that hits directly the pocket of the family head or the user of public services, that corruption which steals from Colombians at night what they earn with their hard work during the day. I appeal to the solidarity and commitment of the best ally of any offensive against corruption: the consciences of citizens. The consciences of citizens can watch out for themselves and for fellow citizens. With those consciences, with the moral conscience of Colombia, we will demonstrate that we are a nation that deserves the respect of the world, a nation of happy, hard-working, and good people, a nation that is proud of its past and optimistic about its future, a nation that has not asked and will never ask for permission from anyone to continue to progress. Thank you very much.

ELN Chief Suspends Talks With Government

PA0706043695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 7 Jun 95

[From the "Seven O'clock Newscast"]

[FBIS Translated Text] Talks between the Army of National Liberation [ELN] and the government have been suspended. Manuel Perez, chief of the rebel organization, today made it known to the government that he will seek no further contacts, and there will be no meeting with the government until there is a clarification of the defense minister's intention when he said rewards will be paid for information on guerrilla leaders.

Prosecutor General Alfonso Valdivieso's statement that ELN prisoners Francisco Galan and Felipe Torres can be spokesmen for the guerrillas but cannot have privileges beyond the law also bothered Perez.

At this moment, Peace Commissioner Carlos Holmes Trujillo and his advisers are meeting at Santa Fe de Bogota's Modelo prison with the ELN spokesmen to analyze Manuel Perez' decision.

It is known that the captured guerrillas are obeying orders from the mountains to suspend all talks, despite the fact they have already held three meetings with Holmes Trujillo and his advisers at Modelo prison installations.

The government has just announced that the rewards offered for the guerrillas were suspended this past Sunday to foster the negotiations.

Police Arrest 'Important' Peruvian Drug Trafficker

PA0706044295 Santa Fe de Bogota Inravision Television Canal A Network Spanish 0000 GMT 7 Jun 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Antinarcotics agents today captured a Peruvian drug trafficker. He is apparently the

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head of a big international organization. He is believed to be one of the most important heroin traffickers in the world. His entire family is being sought in Peru. According to the Peruvian police, the entire family works in drugs.

According to reports from the Search Bloc, Abelardo Cachique, alias El Negro, had replaced El Vaticano, a notorious Peruvian drug trafficker who was arrested in Cali some months ago.

Cachique's second wife was arrested with him. The two are wanted by the Peruvian authorities.

Ecuador

Defense, Finance Ministers Appear Before Congress

PA0706002795 Quito Voz de los Andes in Spanish 1700 GMT 6 Jun 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Defense Minister Jose Gallardo justified before Congress the package of economic measures approved by the government, saying that when the country's sovereignty is threatened all economic resources should be channeled to protect it. He said that the conflict with Peru at the beginning of the year has cost Ecuador 920 billion sucres or approximately $383 million. He added the largest expenditure was not caused by the mobilization of troops or combat, but by purchasing military equipment necessary to defend the country.

He recalled that the Ecuadoran Constitution establishes that when the country's sovereignty, independence, and security are threatened all resources can be used for this end except for those allocated to the health and education sectors.

Meanwhile, Finance Minister Mauricio Pinto said the economic measures announced by the government last Thursday, which triggered widespread social protests, could be reversed as long as other entries are established that could decrease the state deficit.

We are ready to discuss this with Congress as long as there is another entry different from what we have proposed. We are ready to accept, said Pinto a few minutes before appearing before Congress. He appeared before Congress to explain economic measures, the cost of the military conflict, and alleged reports noting the possibility that the government could deflect the 2-percent circulation tax imposed to finance the war to pay for the foreign debt.

Finance Minister Facing Interpellation

PA0606195395 Quito Voz de los Andes in Spanish 2300 GMT 5 Jun 95

[Report by Loira Carriel from "The Voz Andes Newscast]

[FBIS Translated Text] Mauricio Pinto, finance and public credit minister, has practically been censured with more than 40 confirmed votes against him. A number of political parties officially decided that Mauricio Pinto would be interpellated. The APREA [Ecuadoran Revolutionary Popular Party], PRE [Ecuadoran Roldosist Party], [word indistinct] Roldosismo, and the Socialist Party affirmed that there are enough reasons to censure Mauricio Pinto. APREA Deputy Gustavo Larrea commented:

[Begin recording] [Larrea] Yes, today at 1100 we will interpellate the minister.

[Unidentified reporter] On what issues?

[Larrea] Violation of the hydrocarbons and budget laws; specifically, on the economic measures affecting the country. There will be two interpellations. Today we will interpellate the finance minister, and tomorrow the minister of energy and mines. The latter has also violated the law by allowing a rate increase and by not taking corrective measures in the electricity policy — the country's master plan for electricity was paralyzed — and by substituting thermal energy for hydroelectric energy, thereby making production more expensive.

In addition, we believe that two additional political measures must be taken. First, the Ecuadoran people, civic organizations, institutions, and the private sector must be called upon not to pay the rate increase ordered by the government in June and to demand a review of these measures. [end recording]

PRE Deputy Santiago Bucaram said there is currently a budget surplus and that there is no reason for the drastic measures taken by Minister Mauricio Pinto.

[Begin Bucaram recording, in progress] ...proving to the country that there is a budget surplus of 2.7 billion sucres, that there is no need for economic measures. Why don't they tell the country that the CEA [expansion not known] is today verifying that the numbers presented by Santiago Bucaram are real. An increase of $2 per barrel of petroleum produces more profits, produces more income — approximately 252 billion sucres. [end recording]

MPD, Democratic People's Movement, party leader Luis Andrade also offered [words indistinct] regarding the interpellation.

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[Begin Andrade recording] It has become clear that the national government is using the conflict to implement this entire neo- liberal project. That is why our party is calling on the Ecuadoran people to take to the streets and plazas. [end recording]

Currently there are 40 confirmed votes for the censure of Minister Mauricio Pinto. The Ecuadoran Roldosist Party, APRE, FRA [Alfarist Radical Front], Democratic [word indistinct], MPD, independent parties, and the Socialist Party [words indistinct] have not yet made their position official, but it is believe that they would also vote to censure the Finance Minister.

Finance Minister Mauricio Pinto said the president decided to approve the measures following a thorough analysis of the country's economic situation. Pinto said if these measures had not been taken, the cost of the fiscal gap would have been much higher for the Ecuadoran people. Pinto said that despite the many offerings, the National Congress has not dealt with important laws that contribute to the country's development. The executive branch had few options to close the deficit gap produced by the territorial issue. It seems that certain sectors have forgotten that the conflict has not yet ended, which is why projections are being made until the end of the year, Finance Minister Pinto said.

Peru

Ombudsman's Role, Power Debated

95SM0348A (Internet) Peru DESCO Gopher in Spanish 18 May 95

[From Resumen Semanal 10-16 May]

[FBIS Translated Text] On 11 May, making a 180-degree turn, the government majority in the Congress took a step backward in connection with the appointment of a defender of the people (ombudsman) as an advocate for those who are victims of government excesses. The proposal was unanimously approved just a week ago, with only one congressmen, Roger Caceres, abstaining. Apparently, all it took was an order from Government Palace to convert positive convictions into sudden reasons for opposition. The principal sponsor of the frustrated Organic Law on the Defense of the People, Carlos Ferrero, who remained faithful in his conduct and statements, pointed out the curious delay in getting the documents signed in the Main Clerk's Office of the Congress, as if everything had been prepared for the turnabout by the government. Discomfited, Jaime Yoshiyama explained that the only reason for the delay was that this was a voluminous proposal that had to be reviewed with care. "Don't confuse the public," he told Ferrero Costa.

It was Renewal Congressman Enrique Chirinos Soto who was entrusted with the task of pulling the chestnuts out of the fire. He pointed to nothing less than the frontier conflict with Ecuador as the main reason for the reconsideration. "This proposal, which involves an indescribably huge bureaucracy, would entrust secrets and resources pertaining to national defense and the National Intelligence Service to whatever inspection the defender of the people might order on his own account," the representative from Arequipa argued. To what was Chirinos Soto referring? The fact is that the proposal gives the defender of the people the authority to enter barracks, police stations, and other military and police premises to review files and obtain information about, for example, the status of certain prisoners or whether or not individuals reported as having disappeared are being held there. Chirinos Soto expressed the view that this authority and other provisions, such as the requirement that any official summoned must appear in the office of the defender of the people, constitute something close to "a time bomb in terms of national security." Henry Pease argued that while the defender of the people is not the all-powerful official Chirinos Soto and others fear, it is true that the intention was to give him real authority. "The purpose was to ensure that what happens to us parliamentarians when we ask public bodies for a report and they do not give it to us—or they give us something that does not satisfy our questions—does not happen to the defender of the people," he added. Ferrero, for his part, pointed out that the association of the war with Ecuador with the issue of the defender of the people was nothing but an obvious attempt to confuse the terms of the discussion. He explained that the defender of the people would not be omnipotent, since he could do nothing more than suggest and recommend, and would not have the power to dismiss or penalize anyone. And, finally, he could be removed at any time by the Congress, which is also the body authorizing his appointment. "His power (that of the defender of the people) is only moral power, and for this reason he is the standard-bearer for the humble people, and not those who live comfortably and resolve their problems with money," he said. At this point, almost no one on the government benches was listening to Ferrero. Nor did they hear what Fernandez Arce was saying. He tried to make them see that rejecting the plan for a defender of the people meant an attack against the Constitution, which says in its first article that the supreme value for society and the state is the human individual. (Most dailies 12 May 95)

The following day, President Fujimori said he wants further study of the draft law that defines the functions of the defender of the people. "I find it most praiseworthy that this reconsideration has taken place, thanks to

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a decision made not only by NM-C90 [New Majority-Change 90], but other opposition groups as well," the chief of state said. According to the chief executive, this shows that "in matters of sovereignty and national security, a very responsible attitude, which I must emphasize, was demonstrated. I reiterate that the draft law on the defense of the people merits a more detailed study," he insisted. (Most dailies 14 May 95)

Columnist Calls Recent Government Decisions 'Authoritarian'

95SM0348B Lima CARETAS in Spanish 18 May 95

[Article by Fernando Rospigliosi: "Beyond the Year 2000;" received via Internet]

[FBIS Translated Text] Profiting from the electoral victory on 9 April, the government did not lose a minute before trying to consolidate an authoritarian regime. So many things have happened that they cannot be regarded as the isolated actions of certain individuals or institutions.

—The amendment of the Electoral Law approved last week by the CCD [Democratic Constituent Congress] was designed to eliminate political competition or reduce it to a minimum. The requirement that four percent of the electoral roster—500,000 signatures—be submitted for registration is a unique development in Latin America.

No effort is being made, of course, to consolidate large, strong parties. Change 90-New Majority [C90-NM] is not even a party, but rather a label used by Alberto Fujimori in order to present a slate for electoral campaigns.

The way in which this law was approved by the CCD, practically without debate, in a stumbling procedure, and with the last-minute addition of articles not included in the draft, bears the ineradicable stamp of governmental manipulation.

Martha Chavez, who submitted and argued for the proposal, did honor to her description of herself in a recent interview granted to Vidal Silva in LA REPUBLICA—Alberto Fujimori's subordinate.

—The retreat of the majority, which first approved and then rejected the Law on the Defense of the People, was another move in the same direction. No one could believe that every one of the government party deputies—there was but a single exception—suddenly changed their minds about this law in the course of a few days.

A tug on the ear, which probably came from the military leadership, caused the obedient government party bench to reverse its direction.

—The sentence imposed on General Walter Ledesma and the arrest of General Carlos Mauricio confirmed the indications that the regime is continuing to try to silence the retired military and to warn those on active duty that it is not prepared to tolerate criticism or dissidence.

The concatenation of these events within a short period of time makes the intention of the government so obvious that even EXPRESO, the progovernment daily newspaper, was alarmed. In an editorial carried last Sunday, it described the attitude of the government in connection with the events mentioned above as abusive and arbitrary. But there is more.

—In the initial document pertaining to the investigation of General Ledesma, one of the government attorneys asserted in passing that CARETAS is a periodical in the service of a foreign nation. (See commentary in this issue.) This is not only an insult, but a concrete threat to freedom of expression.

From that to accusing CARETAS or some of its journalists of espionage or treason against the fatherland is only one step.

—Within this context, moreover, some proposals have been put forward like that drafted by General Gaston Ibanez (Ret), who maintains that it is necessary to avoid "the inclusion"—in the Defense Commission of the CCD—of those who adopted anti-Peruvian positions in the recent conflict with Ecuador." (EXPRESO 13 May 95)

Although Ibanez is one of the majority of those who were not elected on the C90-NM slate of congressional candidates, his placement in a prominent position on the electoral ballot would indicate that he is a representative of the government faction.

Ibanez does not specify who the anti-Peruvian congressmen are. Is he perhaps thinking of his party colleague Carlos Torres y Torres Lara, who surrendered territory to Ecuador with the Gentleman's Agreement in 1994? Or are the anti-Peruvians, perhaps, those who believed the theory put forth by General Ibanez to the effect that armed conflicts in Latin America were "almost impossible," thus weakening the capacity to resist aggression?

That might be, although I fear that Ibanez regards as anti-Peruvian all those who fail to exalt the warrior virtues of the "Peruvian Patton" and his faithful ally, the "triumphant general." In reality, the opinions of this frustrated congressional candidate would not be very important if it were not for the atmosphere of

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persecution that has developed in the country since 9 April, in which a tendency to silence the opposition is revealed. To regard as "anti-Peruvian" or in the service of a foreign power anyone who is not taking communion with the government is to copy one of the oldest pretexts used by all dictatorships. It was utilized, of course, by the military government in the decade of the 1970s, when Ibanez served as a minister. In short, bolstered by the electoral victory, the top government leadership is using intimidation and seeking to eliminate any possibility of resistance to the authoritarian plans in the medium-time range—because these leaders do not believe that the opposition is a danger at present, now that the defeat at the polls has reduced its size. However, it could indeed become a threat in the future when these leaders reveal their intention to continue in government beyond—far beyond—the year 2000.

New Signatures Law Criticized

95SM0348C (Internet) Peru DESCO Gopher in Spanish 18 May 95

[From Resumen Semanal 10-16 May]

[FBIS Translated Text] In a commentary, EXPRESO (13 May 95) said the following. "The parliamentary majority has approved a draft law creating what is almost a political monopoly for the progovernment group and the Union for Peru. They are the only groups that, in accordance with this law, do not have to reregister in order to participate in the coming elections. All of the others must register. We might venture to say that no known movement or party other than those mentioned above will be able to participate in the coming municipal elections. The previous legal requirement of 100,000 signatures became outdated due to population growth. But the leap to 500,000 is excessive. Without a doubt, New Majority-Change 90 [NM-C90] will become an important part of the new party system, but it needs to have competition. In no way should it become a single party or a kind of Peruvian PRI [Institutional Revolutionary Party]. Politics is a market like any other, and within it there must be freedom and competition in order for the public to benefit. Indeed, what should be done is to convert to an electoral system based in full or in part on multiple districts with one or two representatives each. This would force the small parties to join in groups with others to make it possible for their candidates to be elected."

'And Nary a Blush...'

The weekly periodical OIGA (No. 743, 15 May 95), in turn, reported as follows. "In recent conversations with representatives of the international press and foreign diplomats, President Fujimori has stated boastfully that the next Peruvian parliament will set an example not just for the country or for Latin America, but for the whole world. This is because it will not be made up of representatives of political parties, but of technicians with great skill in various sectors; it will be much more efficient. Democracy will have little reason to congratulate itself if the new Congress acts as the CCD [Democratic Constituent Congress] did this past Thursday. After long hours of discussion of the draft law submitted by Martha Chavez and Juan Hermoza that would increase the number of signatures required to register a political party to five percent of all the nation's voters, the first of these individuals, with total assurance and nary a blush, pulled from her sleeve a substitute draft law. It was put to a vote without allowing the necessary debate, causing the opposition to withdraw, and it was approved by 43 affirmative votes, with Rafael Ray as the single opponent. The law was sent to Government Palace immediately, was promulgated on the stroke of midnight by President Fujimori, and was published in the official gazette the following day, so that it would go into effect on Saturday, 12 May. This hasty process was obviously designed to block action by the political parties and to prevent their participation in the coming municipal elections scheduled for Sunday, 12 November.

"Martha Chavez herself acknowledged the purpose of this sledgehammer mechanism, admitting that the version imposed by her group calls for a much larger percentage of voters' signatures than the 0.5 percent required in other countries. Moreover, this constitutes an excess that violates the principle of equity, because now almost half a million signatures are needed to register a party, whereas to maintain registration, only five percent of the valid votes are required. In the last electoral process, this percentage of the votes came to a total of 372,325. To this is added a further disadvantage, which was explained by Alberto Borea. In an election, the citizen is required to vote and must select from among the choices offered him. The situation with the signatures is different, because no secrecy is involved, nor is providing a signature compulsory. Therefore, obtaining a signature is much more difficult than winning a vote. In a situation like the present one, when those in the population who disagree are subject to constant intimidation, it is obvious that demanding this volume of signatures is a covert maneuver designed to prevent free political action, Borea says."

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Venezuela

Poll Indicates Disapproval of Government

PA0706041195 Caracas EL NACIONAL in Spanish 5 Jun 95 p D-4

[Article by Alicia Aguilar]

[FBIS Translated Text] A high percentage of Caracas residents (62 percent) believe the administration's economic policy is mistaken; a growing number believe President Caldera's administration will not achieve better results than President Andres Perez's administration; and almost 60 percent of the population distrusts the executive branch as much as they distrust the private sector in handling financial affairs.

Uncertainty regarding the future increases with the onslaught of crime. The incidence of crime competes with the high cost of living, which is first among the problems that most concern the capital's residents, which drops any concern regarding a "bad administration" and unemployment to a discrete third place.

The skepticism shown by capitals' resident spreads into almost every activity, enterprise, or person, including the president, whose activities are disapproved of by 45 percent of Caracas' upper- and middle-class residents.

Fear of another coup is latent; although it has not increased, as has the belief that a popular revolt is just around the corner.

The Caracas residents' public opinion poll on these issues was conducted by the "Opinion Siglo XXI" company under the technical direction of Opineca, a company which also provides logistic support to Gaither International.

The survey of "the public opinion climate" was conducted in May on a representative sample of the population residing in the Caracas metropolitan area.

The poll is the fourth in a series of related surveys, the first of which was conducted in April 1994. Gaither International was the company responsible for the three previous surveys (April, June, and November 1994).

This survey was carried out between 16 to 23 May. "Opinion Siglo XXI" interviewed 400 adults who were 18 years old and over. The polls were carried out by means of a quota sampling designed to create a model of the capital's residents according to sex, age, and socioeconomic level. The questions were conducted in the homes of the persons chosen for the sample.

It should be emphasized that all percentages are whole numbers; therefore, in some cases the columns may add up to less than, or more than, 100 percent.

NEGATIVE AND PESSIMISTIC

The most important fact revealed by the study is the negative and pessimistic mood regarding the general economic situation which has remained stagnant since 1994.

Few persons in the metropolitan area believe their personal situation has improved "in the last 2 or 3 years." In April 1994, 42 percent of persons interviewed believed they were worse than before; in May 1995, 67 percent of Caracas's residents affirmed that they were personally worse off than before. In May 1995, only 12 percent of those interviewed confirmed they were better off than before.

The survey shows an increase in the extent of pessimism. In November 1994, 45 percent of the population said they were worse off than 2 or 3 years ago. Now 52 percent share that same pessimism.

Classified by socioeconomic levels, a larger share of the poorer classes say currently they are "worse than before" and are more pessimistic regarding the future than the upper and middle classes.

The same pessimism may be observed in the opinions regarding the country's economic progress. According to the research firm "it seems as if everything is stagnant."

Similar to last November's results, only 21 percent of persons interviewed believe the country is achieving at least "some progress." Slightly more than half, 53 percent of the metropolitan area residents, confirm that Venezuela is achieving "no" or "almost no" progress. In November, exactly half of the persons interviewed held the same opinion.

"Shakeup" and Benefits

One-half of the Capital's residents still believe that a coup could occur before President Caldera ends his first term in office. This apprehension has not changed since November 1994, (51 percent), and similar to the previous survey, the poorer classes are the ones that most believe this could occur (53 percent).

Opinions regarding the possibility of the recurrence of a popular revolt similar to that of 27-F [as published] are even more dramatic: 65 percent presage such a revolt. Such apprehension is more evident among the upper and middle classes.

There is a favorable climate regarding the search for new alternatives for the social benefits system (80 percent) to advance the talks between the Venezuelan Workers Confederation, the business sector, and the government. Support is more evident in the poorer

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classes (82 percent) than in the upper and middle classes (77 percent).

However, 67 percent of persons interviewed doubt that union leaders will really defend the interests of the workers, and although a majority (57 percent) believe the government will act as a balancing factor between the other two sectors, the majority of these (21 percent) believe the government will defend the private sector instead of the workers (14 percent).

Control and Beatification

The survey sounded the opinion of Caracas residents regarding currency exchange controls. This question was answered by 83 percent of those interviewed, although there was no absolute majority in favor or against this policy. However, there was a slight change in perception, since the previous reading regarding the effect exchange control has on the country's economy.

In November 1994, 39 percent believed that currency exchange control would be good for the country. Today, only 28 percent believe it is good. Likewise, 26 percent believed in November that its effects would be negative. Today, that opinion is shared by 35 percent of the population. Regarding this issue, the upper classes have more extreme opinions than the lower classes.

Another issue, far removed from politics, the beatification of Sister Maria de Jan Jose was sounded by "Opinion Siglo XXI." The result was that one out of two Caracas residents believe President Caldera took advantage of the beatification to improve his image, and a similar number said that the administration's image benefited from this act.

With A Drop in Points

The perception of a stalemate in the country's economic progress and the adverse personal situation of Caracas residents are reflected in the disapproval by the majority of the government and President Rafael Caldera.

The degree of mistrust in the government's plans has grown since April 1994, before the exchange and price control measures were implemented. On that occasion, 68 percent of the people surveyed were confident they would be better off with the implementation of the announced programs. In May of this year, only 31 percent maintained that hope.

Approval of the president's actions took a steep dive during the same period. In April 1994, 86 percent approved of the government's actions, whereas now 51 percent of those surveyed did, or a 35- percent drop. An equal percentage is reflected in the rise of the president's disapproval rating, as the 10 percent who voiced disapproval in April 1994 rose to 45 percent now.

Caracas residents are increasingly skeptical about the "moralizing" ads, and that is what the "Opinion Siglo XXI" company poll confirmed.

In assessing the efforts by President Caldera to combat corruption, 44 percent felt that he is doing everything within his reach; 55 percent felt he is not doing everything within his reach; and 1 percent had no opinion.

The study also assessed the expectations on the positive results of the current policies, as compared to the government of former President Carlos Andres Perez: 4 percent said the results would be worse; 9 percent said that there would be no difference; 5 percent had no opinion.

And so, 13 months later, the number of Caracas residents who feel that this government will have better results than the previous one dropped to 49 percent; those who foresee worse results rose to 11 percent. In addition, 37 percent felt there will be no major difference, and 4 percent had no opinion.

Present Situation

Compared to two or three years ago individuals are:	April 1994	June 1994	Nov. 1994	May 1995
Better off than before	34	7	11	12
Worse	42	74	66	67
No change	24	19	24	22

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Optimism for the future

From now to two or three years down the road you expect to be:	April 1994	June 1994	Nov 1994	May 1995
Better off than before	53	20	29	28
Worse off	30	61	45	52
Same	12	12	21	14
No comment	5	7	5	7

The current economic policies:

	Nov. 1994	May 1995
Are on the mark	47	30
Are not	44	62
Don't know	9	9

Public Is Kept Informed

	Nov. 1994	May 1995
Has heard about exchange control	75	83
Has not heard	25	18

Approval of Exchange Control

	Nov 1994	May 1995
Is positive	39	28
Is negative	26	35
Of no importance	7	16
No comment	3	4
Has not heard about it	25	18

Government Responding to Requests for Dollars

PA0606182995 Caracas EL UNIVERSAL in Spanish 3 Jun 95 Section 2 p 1

[FBIS Translated Text] Gustavo Rivera Portillo, director of the Exchange Administration Technical Office, reported that the number of dollars granted to requesters remains normal. Every week $200 million are supplied and 1,200 requests are filed. He added that last week requests were granted worth $500 million.

Rivera said the farming sector files the most requests for dollars and explained that administrative causes were behind last week's increase. Commenting on reports that foreign currency is not being granted to purchase certain equipment and medicines, he said that every time a message comes from a pharmaceutical industry or the Health Ministry, we immediately work on it, but we are not responsible for the delays. It takes 72 hours to grant the foreign currency. Six people sign the requests. Three of them have a type A signature, and three have a type B signature.

Importers may request up to $5,000, which they can withdraw directly from banks after notifying the Exchange Administration Board.

Will the Finance Ministry now work on settling the allocation of foreign currency to pay the private foreign debt? A study revealed that efforts were being duplicated. We need to make some changes to the current exchange guidelines to allow the Finance Ministry, through the Foreign Debt Division, to assume that responsibility, Rivera said.

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